



Daily Report

China

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Monday
28 September 1992

Daily Report

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General

Hurd Briefs Qian Qichen on Hong Kong Speech

HK2709024692 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 27 Sep 92 p 1

[Report by David Healy in London and Ian Williams in New York]

[Text] Britain yesterday warned Beijing of the constitutional changes Governor Mr Chris Patten would unveil in his October 7 policy address, and urged China not to rush into an angry denunciation of them.

Foreign Secretary Douglas Hurd briefed his Chinese counterpart on the most sensitive parts of the speech in a 2-1/2-hour tough-talking session in New York. Chinese Foreign Minister Qian Qichen responded as he left the meeting with a warning that there could be no question of speeding up the pace of democratisation laid down in the Basic Law.

Although Mr Hurd declined to answer questions on the issue, observers said the Chinese side's comments indicated the foreign secretary had served notice Mr Patten intended to push for more directly elected seats in 1995, something Beijing strongly opposes. British officials said the aim had been to alert the Chinese Government to the importance of what the Governor would announce, and urge it not to give an immediate, unconsidered response.

Mr Hurd appealed to the Chinese to wait until the Governor arrived in Beijing on October 21 to spell out the precise meaning behind the details of his speech before responding, according to official sources in London.

The foreign secretary confirmed he had briefed Mr Qian on Mr Patten's plans for reforms during their meeting yesterday morning (Hong Kong time), on the fringes of the United Nations General Assembly.

"I took the opportunity to tell the Chinese foreign minister broadly what the Governor intends to say on the constitutional side in his speech to Legco [Legislative Council] on October 7," he said. However, British officials insisted Mr Hurd had not gone into the details of Mr Patten's address, and that the briefing had been "neither a clearing operation nor a consultation exercise".

One later characterised the session as a "frank talking dialogue", and described the atmosphere as "good".

The meeting—which began with an unscheduled British expression of concern over Friday's [25 September] armed incursion into Hong Kong waters—also touched on the airport deadlock, although not in detail. "We did discuss the airport and the need to reach agreement; (an) early and practical agreement," Mr Hurd said, denying accusations Mr Patten's comments on the issue last week were an "outburst" directed against Beijing.

British sources said Mr Hurd complained progress was too slow, and said the ball was now in China's court. "We have done our very best to take account of Chinese problems over financing and we await a formal reaction," one official said. "All we have had so far is a critical press and critical editorials. We look forward to a constructive official response and more practical discussions."

Mr Qian is understood to have replied that Beijing wanted the airport to be built, but wanted the financial details worked out first.

However, he also said the dispute could be on the agenda for the Governor's inaugural trip to Beijing—in an apparent indication it is unlikely to be resolved before then.

Qian Qichen Meets Hurd, Dumas, Kozyrev at UN

OW2609094492 Beijing XINHUA in English 0907 GMT 26 Sep 92

[Text] United Nations, September 25 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen today exchanged views on bilateral relations and international issues of common concern with his counterparts from Britain, France, Russia, Algeria, Egypt, Bahrain, Iraq and Azerbaijan.

In their meeting, Qian and British Foreign Secretary Douglas Hurd exchanged views on the Hong Kong issue among other matters in a friendly atmosphere.

Qian expressed satisfaction with the progress made by the Sino-British Joint Liaison Group, and hoped the group will continue to accelerate its work pace.

The Chinese foreign minister also exchanged views with French Foreign Minister Roland Dumas on bilateral ties. Qian reiterated that China opposes arms sales to Taiwan by any country.

On the Cambodia issue, Dumas said it has entered the stage of implementing the Paris Agreement. However, he said, the peace process of Cambodia is facing some difficulties, as a co-chairman of the Paris peace conference, France is much concerned about it.

Qian said China holds that all parties of Cambodia should take part in the country's peace process and strictly abide by the Paris peace agreement.

Qian also held talks with Russian Foreign Minister Andrey Kozyrev on the arrangements for Russian President Boris Yeltsin's visit to China later this year. They are satisfied with the smooth development of bilateral relations, and indicated a continuation of border talks and border disarmament talks.

Kozyrev reaffirmed Russia's one China policy, of which Qian expressed his appreciation.

Qian also met his counterparts Lakhdar Brahimi of Algeria, 'Amr Musa of Egypt, Shaykh Muhammad Al

Khalifah of Bahrain, Muhammad Sa'id al-Sahhaf of Iraq and Tofik Gasymov of Azerbaijan.

Meets Foreign Ministers

*OW2609055292 Beijing XINHUA in English
0529 GMT 26 Sep 92*

[Text] United Nations, September 24 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen today met his 11 counterparts attending the 47th U.N. General Assembly which began last Tuesday.

They were foreign ministers of Mozambique, Brazil, Spain, Portugal, Italy, Chile, Ecuador, Mauritania, Cape Verde, Turkey and Turkmenistan.

During the separate meetings, both sides are satisfied with their bilateral relations and expressed the hope to promote their friendly cooperation. They also exchanged views on international issues of common concern.

Mozambique Foreign Minister Pascoal Mocumbi told Qian that a cease-fire agreement will be signed. Qian was very delighted at the news, saying an end to the decade-long conflicts will pave the way for developing its economy in a peaceful environment.

On Sino-Brazilian relations, Qian told his Brazilian counterpart Celso Lafer that both China and Brazil are big developing countries and that they can cooperate in all fields with their own technologies.

Lafer said that his country is willing to cooperate with China in building large hydropower stations and that there are great potentials of trade between the two countries.

In his meeting with Spanish Foreign Minister Javier Solana, Qian said China and Spain have much in common in international affairs, which, Solana said, enables both sides to make joint efforts for world stability and development. Both were pleased with the growth of their economies, bilateral trade and exchange of visits between the two countries.

Exchanging views on the question of Macao, both Qian and Portuguese Foreign Minister Joao de Deus Pinheiro expressed satisfaction with the cooperation between their governments.

Recalling the centuries-old friendly relations between China and Italy and the growth of their cooperation in recent years, Qian said Italy has become China's second largest trade partner in Europe. His Italian counterpart, Emilio Colombo, told Qian that his country supports the position on China's return to the General Agreement on Tariffs and Trade as a founding state.

Departs New York 25 Sep

*OW2609055792 Beijing XINHUA in English
0534 GMT 26 Sep 92*

[Text] New York, September 25 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen left here for China late tonight after attending the sessions of the 47th U.N. General Assembly.

During his stay in New York, the Chinese Foreign Minister addressed the U.N. General Assembly on September 23 and met with Boutros Ghali, U.N. secretary-general, Stoyan Ganev, president of the 47th General Assembly, as well as heads of state of the Republic of Korea, Croatia and Djibouti.

Qian also held talks with Milan Panic, prime minister of the Federal Republic of Yugoslavia, and foreign ministers of some 50 countries, which included Britain, France, Mexico, Japan, Poland, the United States and Zambia.

Agreement To Buy Equipment From Japan, Italy

*OW2509151692 Beijing XINHUA in English
1348 GMT 25 Sep 92*

[Text] Beijing, September 25 (XINHUA)—China today signed a contract here to import a complete set of fertilizer equipment from Japan and Italy, which includes 300,000-ton synthetic ammonia and 520,000-ton urea producers, made by three Japanese firms and an Italian firm.

The set of equipment is introduced by the China National Technical Import and Export Corporation, which has for 40 years imported many key technical items for its country.

The equipment will help to build a chemical fertilizer factory in the Inner Mongolia Autonomous Region, involving an investment of some 1.8 billion yuan (300 million U.S. dollars), among which 21 billion yen (150 million U.S. dollars) are Japanese loans.

The Inner Mongolia Autonomous Region is located in northern China, with most residents being Mongolian—one of China's largest minority nationalities. The region is rich in mine, stock and farm products.

United States & Canada

Criticism of U.S. Over F-16 Sale to Taiwan

*OW2609110892 Beijing XINHUA Domestic Service
in Chinese 0730 GMT 26 Sep 92*

[Text] Beijing, 26 Sep (XINHUA)—RENMIN RIBAO on 26 September carries a signed article by the Institute of Taiwan Studies under the Chinese Academy of Social Sciences entitled "Pretexts Are Not Trustworthy; Evil Consequences Are Worrisome," criticizing the United States for selling F-16 fighter planes to Taiwan.

The article says: Ignoring a strong protest by the Chinese Government, the U.S. Government brazenly announced on 2 September that it was selling 150 F-16 fighter planes to Taiwan, a province of China. This unreasonable act constitutes a direct infringement of China's sovereignty and an interference in its internal affairs, damaging the initial stable and harmonious atmosphere that has taken shape in the Taiwan Strait, and seriously disrupting and undermining the process of the peaceful reunification of China. The act certainly will have an adverse impact on peace and stability in the Asia-Pacific region.

In defending its absurd behavior, the U.S. Government has made many excuses. Its arguments can be summarized as follows: First, it says "it is keeping to its promise," claiming that the decision to sell weapons to Taiwan "will not in any way compromise the present administration or previous administrations in undertaking the commitments contained in the three communiques signed with the People's Republic of China" and that "the United States will keep its promise." Second, by using the "theory of the balance of power," it claims that arms sales to Taiwan "are conducive to restoring the balance of military strength between the two sides of the Taiwan Strait" and thereby "will enhance Taiwan's confidence and sense of security." Third, by using the "peace theory," it claims that selling weapons to Taiwan "will be conducive to maintaining peace in the Asia-Pacific region." In fact, the "three theories" mentioned above are deceptive talk, pure and simple, and are nothing but subterfuges used as pretexts for its power politics behavior.

Everyone knows that in the communique of 17 August 1982, the U.S. Government earnestly states: "The United States of America recognizes the Government of the People's Republic of China as the sole legal government of China, and acknowledges the Chinese position that there is but one China and Taiwan is part of China"; "it does not seek to carry out a long-term policy of arms sales to Taiwan, and its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the levels supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends gradually to reduce arms sales to Taiwan, leading, over a period of time, to a final resolution."

What the U.S. Government has done, however, is completely different from what it has said. According to incomplete statistics, from 1950 to 1981, the weapons and arms the United States sold and granted to Taiwan totalled \$5.9 billion. And according to the figure announced by the U.S. side alone, the agreement amount and commercial delivery of U.S. arms to Taiwan from 1982 to 1991 totalled \$6.974 billion, far exceeding the total amount over the more than 20 years before China and the United States established diplomatic relations. This time the United States, intensifying the situation, again has decided to make a one-time large-scale sale of \$6 billion-worth of F-16 jet fighters to Taiwan. The amount of the deal and the high performance of the jet

fighters both are unprecedented. Evidently, such an outright breach of faith and breaking of its promise by the United States not only have blatantly trampled underfoot the norms of international law, but also have directly encroached on and interfered in China's sovereignty and internal affairs. This is an unjust and illegal act and not a "promise-abiding" one.

Speaking of "balance of power," people naturally will recall the arms race during the cold war era between the two hegemonists—the United States and the Soviet Union—which engaged in the race ignoring the costs and the waste of money and manpower. It is really totally inappropriate for the United States to use this term on the Taiwan issue. Taiwan clearly is a province of China. The fact that the United States attempts to enhance Taiwan's military strength to maintain a "balance" between Taiwan and the Chinese mainland is itself an act of blatant interference in China's internal affairs. As a matter of fact, owing to the large-scale U.S. sale of weapons to Taiwan and encouragement of Taiwan to maintain a "balance of arms," Taiwan's current military spending has reached a very unreasonable level. It has been learned that Taiwan's military budget for 1994 will set a new record, reaching NT\$300 billion [new Taiwan dollars] for the first time, and this figure does not include the more than NT\$100 billion earmarked for the purchase of military planes from foreign countries. International opinion holds that the U.S. decision to sell weapons to Taiwan is bound to give a boost to the "Taiwan independence" activities and the "Independent Taiwan" tendency, which already have become increasingly open and rampant, and to enhance the Taiwan authorities' "confidence" in exercising sovereignty over a part of the country and in resisting the country's reunification.

Hong Kong newspaper commentaries pointed out sharply that "the Taiwan issues under U.S. calculation are, in name, the creation of a new balance of power, and in essence, the creation of a permanent state of division between the one China and one Taiwan in an effort to attain the objective of containing Chinese with other Chinese through military confrontation in the Taiwan Strait."

It should be pointed out that aside from the historical background of a continuation of the Chinese civil war, direct intervention by the United States had been an important factor contributing to the existence of a tense situation in the Taiwan Strait for a considerable period. The situation in this region has undergone changes following the gradual improvement of relations and the formal establishment of diplomatic ties between China and the United States, as well as the withdrawal of U.S. troops from the Taiwan region in the 1970's. Since 1979, the policies of "peaceful reunification" and "one country, two systems" put forward by the Chinese Government, as well as a series of policies and measures it adopted in an effort to ease the situation on the strait, lessen hostility, reduce conflicts, and promote cross-strait exchanges have become a leading force in pushing

cross-strait relations in the direction of peace, stability, and conduciveness to national reunification.

Over the past decade or so, family contacts have resumed rapidly; cultural, educational, academic, sports, and other exchanges have increased day by day; economic and trade relations constantly have expanded and deepened; and interactive political relations between the two sides of the Taiwan Strait gradually have been enhanced. All these facts have fundamentally changed the originally tense regional situation to bring about the first moment in more than four decades which is favorable to peace, reconciliation, and cooperation between the two sides of the Taiwan Strait, as well as to present an important promotional factor for the maintenance of stability and prosperity in the Asia-Pacific region over the past decade. The sale of U.S. weapons to Taiwan not only has directly impeded China's reunification but has cast an ominous shadow over stability and prosperity in the Asia-Pacific region.

Perot Still Undecided on Presidential Race

*OW2809045892 Beijing XINHUA in English
0400 GMT 28 Sep 92*

[Text] Washington, September 27 (XINHUA)—Texan billionaire Ross Perot said today that it will take several days for him to decide whether to re-enter the U.S. presidential race.

Perot, who dropped out the race in July, was widely expected to announce his candidacy Monday after separate meetings between coordinators of his campaign and representatives of Republican and Democratic candidates.

"They'll have to go back and brief their people," Perot said of his state campaign leaders who met with him this evening to prepare for the Monday's meetings.

Asked when he would decide, Perot answered "a few days, just a few days" and then said by the end of the week.

Both President George Bush and Democrat challenger Bill Clinton were sending powerful delegations to the meetings at the Dallas headquarters of the Perot campaign.

Headed by campaign Chairman Robert Teeter, the Bush team included Housing Secretary Jack Kemp, national adviser Brent Scowcroft, and Republican Texas Senator Phil Gramm.

Present on the Democratic side were Clinton campaign Chairman Mickey Kantor, Democratic Texas Senator Lloyd Bentsen, Senator David Boren of Oklahoma, and retired Admiral William Crowe.

Earlier today, both Republican and Democratic standard-bearers claimed that their economic plans are closer than the rival's to that of Perot, who asserted that he would re-enter the race because neither of the candidates seriously considered the reduction of federal deficits.

Bush said "just the truth will do it", when asked how his team will persuade Perot supporters to vote Republican, "I'm going to make it. I really feel confident."

Clinton said that "all we're going to do is make a very straightforward, factual presentation" on political reform, the economy, health care, national security and the deficit.

Central Eurasia

Russia Allowing China Use of Sea of Japan Port

*OW2509143792 Tokyo KYODO in English 1405 GMT
25 Sep 92*

[Text] Yanji, China, Sept. 25 KYODO—Russia has agreed to grant China access to a Sea of Japan port in a decision likely to strengthen moves to establish a north-east Asia trading bloc, according to Chinese officials.

The plan to open up Zarubino port was hatched after North Korea refused to allow Chinese ships a sea passage via the Tumen River, which it jointly controls with Russia, officials in the Yanbian Korean minority self-governing region said.

The former Soviet Union agreed to let China use the Tumen River last May.

The new agreement could heighten North Korean isolation in a region which has great potential for economic expansion, analysts say.

A Sea of Japan rim economic bloc encompassing China, Russia, South Korea and Japan could certainly emerge in the future, they say.

China has not had access to the Sea of Japan since 1938 when its ships last used the Tumen River connection.

A recent United Nations Development Program (UNDP) scheme aimed to reopen the river channel and create a new trading zone.

But North Korean intransigence forced China to find an alternative route, the officials said.

A 60-kilometer road and rail link will be built connecting Hunchun City in China's Jilin Province to Zarubino, they said.

Work has already begun on the road link, which should be completed later this year, they said.

China has supplied money, labor and materials for the road project, they added.

Hunchun, which was only declared open to foreign investment by the Chinese Government in March, is currently not tied to China's railway network.

However, work has begun on building a rail link, to be completed by next summer, city officials said.

Construction work on the Hunchun-Zarubino railway should begin next year and be completed in 1994, they said.

China will also help develop and expand the Russian port itself.

Zarubino currently handles only 1.2 million tons of cargo annually, the officials said. With Chinese help, the aim is to build a medium-sized port facility capable of handling some seven million tons a year, they said.

It is still unclear what form the final port arrangement will take.

The two sides are currently discussing the possibility of China leasing the facility on a long-term basis or signing an agreement to jointly invest in, operate and utilize the port, the officials said.

Kyrgyzstan Premier Prioritizes Ties With China

OW2509152592 Beijing XINHUA in English
1447 GMT 25 Sep 92

[Text] Moscow, September 25 (XINHUA)—Tursunbek Chingyshev, prime minister of the Republic of Kyrgyzstan, said today that relations with China were a priority in his country's foreign policy, according to a Chinese source.

Speaking in Bishkek when he met the Chinese ambassador to Kyrgyzstan, Pan Zhanlin, Chingyshev said great progress has been achieved in bilateral relations. Pan Zhanlin for his part said good relations were in the interest of both countries.

Failure of Armenian-Azeri Cease-Fire Viewed

OW2709034492 Beijing XINHUA in English
0224 GMT 27 Sep 92

[XINHUA "Roundup"]

[Text] Moscow, September 26 (XINHUA)—Peace in the Caucasus has again fallen victim to the antagonism between Armenia and Azerbaijan, which have failed to honor the ceasefire that came into effect today.

The leaders of the two countries have accused each other of violating the agreement and launching new attacks.

The Azerbaijan Defense Ministry says Armenian troops pounded the Karabakh region of Agdam with bazookas and artillery. They also attacked the Azerbaijan regions of Kedabek and Kelbadzhar, causing human casualties and material losses.

The KARABAKH NEWS AGENCY reports that Azerbaijan tanks and armored vehicles launched fresh offensives against the Armenian regions of Mardakert and Askeran. They were routed by Armenian defense forces. Both sides suffered casualties.

Another report says Azerbaijan also bombed Lachin, a corridor linking Armenia and the disputed enclave of Nagorno-Karabakh.

David Shakhnazaryan, representative of the Armenian president, today denounced Azerbaijan for renewed bombing of Armenian border cities and residential areas in Karabakh.

The Azerbaijan side said the major cause of the ceasefire violation was the lack of supervision, and that the decree issued by the defence minister to Azerbaijan troops on ending all military actions remained effective.

But Shakhnazaryan said all peace efforts would be futile unless Azerbaijan recognized the independence of Nagorno-Karabakh.

The fighting between the two countries over Nagorno-Karabakh has lasted for four-and-a-half years. It intensified in February this year when the two sides used modern weapons and turned the whole region into battlefields.

The bloodshed failed to end despite a number of ceasefire agreements reached under the auspices of neighboring countries.

The latest agreement was reached on September 19 by the defense ministers of Armenia and Azerbaijan. It was coordinated by the defense ministers of Russia and Georgia.

The warring factions agreed on a comprehensive ceasefire from September 26. It was to last for at least 150 days.

The defense ministers of the two countries signed a protocol on the implementation of the ceasefire in the Russian Defense Ministry on Friday. It laid down a series of concrete measures on halting the fighting.

Under the protocol, the two sides would stop all military actions from 00:00 local time, September 26; the unconditional exchange of war prisoners would take place from September 28 under the supervision of the International Red Cross; no fighter aircraft would be allowed to take off during the ceasefire; a buffer zone five kilometers wide would be created in the area of conflict; and so on.

But the document has failed to silence the rumble of gunfire and the conflicts are still likely to spill over and threaten the peace in the whole caucasus.

Despite the latest violation of a ceasefire, a number of countries are still willing to help bring peace to the region. Observers from Russia, Kazakhstan and Ukraine will arrive in the area in the next few days.

But analysts say only the sincerity of the warring sides themselves can provide the vital generator of peace.

Northeast Asia**ROK President Comments on Regional Relations**

HK2709035792 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 27 Sep 92 p 10

[Interview with South Korean President No Tae-U by Bruce Cheesman in Seoul; date not given]

[Text] Q: Will China's influence on North Korea lead to an early breakthrough in North-South talks?

A: I expect the establishment of diplomatic ties between South Korea and China will help create conditions favourable to developing intra-Korea relations, especially by easing tension on this peninsula and speeding up removal of the residues of the Cold War still persisting in Northeast Asia.

Full fledged South Korea-China ties will help induce North Korea to participate in the new international order that calls for openness, reform, reconciliation and co-operation. I expect that with the North adapting to the new realities, the two Koreas will be able to build a relationship geared towards co-existence and co-prosperity.

Q: Previously, Korea limited its foreign policy to relations with the United States and Japan. How important does Korea regard its ties to Southeast Asia and ASEAN (the Association of Southeast Asian Nations) and will its influence in organisations such as APEC (Asia-Pacific Economic Co-operation) be expanded?

A: Our ties with ASEAN are important to our foreign policy not merely because of geographic proximity but also of mutually beneficial economic relations and the rising international status of that regional group. My government has been steadily endeavouring to promote not only bilateral ties with individual Southeast Asian countries, but also with ASEAN as a regional body.

In preparation for the anticipated rise of the Pacific age during the 21st century, our country intends to boost ties with ASEAN and APEC with the aim of more greatly contributing to the stability and prosperity of the Asia-Pacific region.

Q: Are Korea's relations with Hong Kong, as the gateway to China, expected to expand, and does Korea have any worries about the handing over of the territory in 1997?

A: Our prediction is South Korean trade and other economic exchanges with Hong Kong will continue unaffected, since it is expected to continue playing a leading role in the development of the Chinese economy under Beijing's policy of openness and reform.

Q: Taipei has alleged that South Korea "bought" full ties with Beijing by arranging a US\$2 billion (HK\$15.6 billion) loan package. Is this true?

A: South Korea and China established full diplomatic relations without any precondition whatsoever. No loan package was mentioned or discussed at all.

Q: What would be the significance of building a regional security system for Northeast Asia?

A: A number of countries in this region have long proposed the creation of a regional security system in Northeast Asia.

My hope is there will soon arise an opportunity for dialogue among the nations with high stakes in this region to build mutual trust and promote common prosperity. If a common framework for regional co-operation is worked out, I believe we can expect to see the emergence of a genuine new order of peace in Northeast Asia.

Q: Do you have any regrets about your term in office as the first directly elected president in 16 years?

A: I have done my best to properly lead the government of the Sixth Republic. I am proud the quality of life has been elevated to a higher level through democratisation and other reforms. The nation's international stature has been greatly heightened by successfully hosting the Seoul Olympics and by vigorously pursuing new unification initiatives and northern diplomacy.

On the domestic front, the long-standing confrontation between advocates of democracy and defenders of the status quo has been resolved. I am very gratified by the fact that democracy has thus come to flower in this land.

Q: In the early part of your administration, you came under fire from Amnesty International and dissidents for Korea's alleged continuation of human rights abuse. What is your opinion of your track record on human rights?

A: Guaranteeing human rights is the kernel of democracy. Following my June 29 (1987) Declaration of Democratic Reforms, the constitution was revised to drastically reinforce human rights clauses and to establish a Constitution Court and introduce various other reforms.

The recent 45th meeting of the UN Human Rights Committee gave a high mark to our government's efforts and accomplishments in the human rights field.

I can definitely say the human rights situation in Korea is no less favourable than that in any developed nation. Our government, however, will not rest content with the achievements thus far but will make sustained efforts to promote human rights.

Q: How do you respond to Korean opposition claims that you have not followed through on political reforms?

A: Since I became president, I have made sustained efforts to implement political reforms on a priority basis. As self-regulation of the private sector, openness, greater economic and social development to improve the quality

of life, a more effective foreign policy, including the forging of ties with socialist countries, and rapprochement with North Korea.

I am proud my administration has made greater efforts than any previous administration to bring about sweeping political reforms, including the creation of a climate conducive to free and fair elections, the establishment of local councils, the introduction of institutional devices to ensure political funds are raised in a clean fashion, the democratisation of the way political parties are run, and the maintenance of a close working relationship between the administration and the National Assembly.

I believe many of these reforms have become a reality.

Believes Visit to China Important

HK2709030792 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 27 Sep 92 p 10

[Report by Bruce Cheesman in Seoul]

[Text] President Mr. No Tae-u today crowns his five-year mission to normalise relations with South Korea's former ROK when he arrives in China, adding the Beijing leadership to his collection of newfound contacts.

In an exclusive interview with the Sunday Morning Post, Mr. No outlined his hopes for the reunification with North Korea and reflected on his track record as president.

"I think my visit to China has a great meaning in conjunction with the brisk dialogue now going on between the South and the North. I remain confident that unification will be achieved in the middle of the 1990s at the earliest and by the year 2000 at the latest.

"Following my inauguration as the president, I said that if I could not go directly to Pyongyang I would go there via Moscow and Beijing. This idea is at the heart of my northern policy. My visit to Beijing, following my visit to Moscow the year before last, signifies that the day of unification is drawing that much closer."

While Mr. No has received widespread praise internationally for attempting to tear down the Cold War barriers on the Korean peninsula, he has been harshly criticised on the domestic front for failing to push through political reforms.

In a rare off-guard moment, he said he felt he was not being given enough credit for his presidency. "In conducting the affairs of state over the past four years and seven months, I have, in fact, been vexed not infrequently by the thought that the achievements of the Sixth Republic are not given due credit," he said. "I hope to go down in history as the president who has built the foundations for democracy and laid the groundwork for unification."

Mr. No said he was optimistic about improving relations with Taiwan, despite Taipei's severance of diplomatic ties with Seoul. "Although we cannot maintain official relations with Taiwan in political terms, I think we should maintain and develop unchanged substantive ties of co-operation in the economic, trade and cultural fields," he said. "My government has already sent a private delegation to Taiwan in the belief that maintaining and developing the long-standing ties of friendship and co-operation between the two countries will not only be beneficial to both but will also contribute to regional prosperity and development.

"As a consequence of the severance of official relations between (South Korea) and Taiwan, all government to government agreements have been abrogated. My administration is endeavouring to get various new private agreements, including aviation and navigation pacts, concluded expeditiously. I expect good results."

While in Beijing, Mr. No, whose single five-year term ends in February, will hold talks with his Chinese counterpart Mr Yang Shangkun and Premier Mr Li Peng, sealing the new-found friendship forged last month when Seoul and Beijing established diplomatic ties.

China becomes the latest achievement of Mr. No's Nordpolitik—the warming of relations with allies of communist North Korea. Since becoming head of state in 1987, Mr No has succeeded in forging ties with the former Soviet Union and with East European states which bankrolled Pyongyang heavily until the collapse of communism.

Three dozen business leaders, including the chairmen of some of South Korea's biggest conglomerates, will accompany Mr No—an indication of the economic stock Seoul lays on its contacts with China.

China is already Seoul's fourth largest trade partner and is expected to further develop as a market for South Korean goods. But the greatest pay-off from the trip would be a commitment by China to persuade Pyongyang to open up its secretive nuclear development programme and thus open up a major bottleneck in North-South detente talks.

North Korea refuses to allow southern inspectors into its nuclear plants, fuelling the fears of Seoul and its allies that Pyongyang is trying to build nuclear weapons.

Arrives in Beijing

OW2709095492 Beijing XINHUA in English 0926 GMT 27 Sep 92

[Text] Beijing, September 27 (XINHUA)—No Tae-u, president of the Republic of Korea (ROK), arrived here by special plane this afternoon for a four-day state visit to China at the invitation of Chinese President Yang Shangkun.

China and the ROK officially established diplomatic relations a month ago. No is the first president from the ROK to visit China.

Official sources said that his current visit to China will help promote the development of bilateral relations in all fields, particularly in economy and trade.

At 16:05 (local time) [0805 gmt], the special plane carrying the president landed on the capital airport.

Stepping down the plane with smile, President No told Li Lanqing, chairman of the Chinese Government reception committee, that he was very delighted to be here for a visit.

Li, also minister of foreign economic relations and trade, warmly shook hands with No and extended a warm welcome to him on behalf of Chinese President Yang Shangkun and the Chinese Government.

No said, "Thank China for the invitation."

Two girls presented flowers to the president and Mrs. No.

More than 500 ROK government officials, entrepreneurs and newsmen are accompanying the president on the visit.

Among them are Foreign Minister Yi Sang-ok, Trade and Industry Minister Han Pong-su, and Science and Technology Minister Kim Chin-hyon.

Greeting No and his party at the airport were also Chinese Vice-Minister of Foreign Affairs Xu Dunxin, Chinese Ambassador to the ROK Zhang Tingyan, and ROK Ambassador to China No Chae-won.

According to a schedule of the visit, no more bilateral activities have been arranged today after No's arrival in Beijing. Chinese President Yang Shangkun is expected to host a welcoming ceremony for No and hold talks with him Monday morning.

Attends Reception

*SK2709093292 Seoul YONHAP in English
0920 GMT 27 Sep 92*

[Text] Beijing, Sept. 27 (OANA-YONHAP)—South Korean President No Tae-u arrived here Sunday for a four-day visit including a summit with Chinese President Yang Shangkun and talks with senior leaders.

South Korean national flags were hoisted along the Tiananmen Square to welcome No, the first South Korean state leader to come to China.

Seoul and Beijing normalized ties last Aug. 24.

No is to attend a reception for Korean residents in China at Daiyoutai where he is staying during the visit.

He will summit with Yang on Monday and meet with Prime Minister Li Peng and Communist Party Secretary-general Jiang Zemin on Tuesday. The talks are expected to focus on promoting bilateral relations, and China's role in solving North Korea's nuclear problem and improving inter-Korean relations.

No will stop by Shanghai before his return Wednesday.

Meets Yang Shangkun

*SK2809020092 Seoul YONHAP in English
0125 GMT 28 Sep 92*

[Text] Beijing, Sept. 28 (YONHAP)—South Korean President No Tae-u was formally welcomed to China Monday in an official ceremony on the eastern side of the People's Hall.

Chinese President Yang Shangkun introduced the welcoming officials to No, who followed with the introduction of his entourage.

A 21-gun salute followed the playing of the national anthems of the two countries, and then the two leaders went inside the hall for a summit meeting.

Kim Chong-hui, chief presidential secretary for diplomacy and national security, sat in on the talks on the Korean side, while foreign minister Qian Qichen and Vice Foreign Minister Xu Dunxin sat in on the Chinese side.

The welcome ceremony was on Monday, but No arrived in the Chinese capital on Sunday afternoon. He had no sooner got to Daiyoutai than he left the guest house to a reception for Korean businessmen.

"It took me less than two hours to fly from Seoul to Beijing, but it took the South Korean president more than 40 years to travel that short distance," No said.

No is the first South Korean head of state to visit China. The two countries normalized ties last Aug. 24.

No played up the symbolism of his visit, saying his being in Beijing showed how the day of Korean unification was nearing.

"There will come a day when we can tread the same roads as our forefathers, and travel by car and train from Seoul to Beijing through Pyongyang and manchuria," he said.

—The guests at the reception, mostly businessmen and their families, seized on the chance to ask the president directly to attend to their problems.

Education and housing were their biggest worries, and No was partly to blame, they said.

One guest told No the number of South Korean businessmen in Beijing had increased suddenly and created these problems because the president had normalized Seoul-Beijing diplomatic ties too fast.

Reminding them that Daiyoutai was where Chinese emperors used to go fishing, No wished the businessmen luck making a big catch of their own.

—The Chinese press gave wide coverage of No's visit. The eight o'clock evening news reported that he was invited by President Yang Shangkun and called it the first highest-level visit in the recent history of the two countries.

Security was fierce, almost creating a mood of solemnity. The 30-kilometer route from the airport to Daiyoutai was lined with uniformed and plainclothed policemen stationed every 30 to 50 meters. The two-lane road leading to the city was completely blocked.

Holds Talks in Beijing

OW2809030092 Beijing XINHUA in English
0246 GMT 28 Sep 92

[Text] Beijing, September 28 (XINHUA)—Chinese President Yang Shangkun and President No Tae-u of the Republic of Korea (ROK) held formal talks here today.

This is the first high-level contact between top Chinese and ROK leaders.

President Yang Shangkun expressed a warm welcome to President No Tae-u, who is in China on a state visit. President No Tae-u said that he was thankful for the warm reception accorded to him since his arrival yesterday.

Prior to the talks, Yang presided over a welcoming ceremony in honor of No who reviewed a guard of honor of the Chinese People's Liberation Army.

Seeks Influence on Nuclear Issue

SK2809071592 Seoul YONHAP in English
0701 GMT 28 Sep 92

[Text] Beijing, Sept. 28 (YONHAP)—South Korean President No Tae-u asked his Chinese Counterpart, Chairman Yang Shangkun, Monday to use China's influence to get North Korea to accept mutual inspections of nuclear facilities by South and North Korea.

In the first ever summit between the neighboring nations, Yang told his visitor that China would not welcome either Korea having nuclear weapons.

"It is undesirable, however, to apply open and international pressure on North Korea" to stop its nuclear program, Yang said.

Yang said he expected the two Koreas to achieve denuclearization of the Korean peninsula through negotiations based on the inter-Korean declaration on denuclearization issued at the end of last year.

The Chinese leader made the remarks after No said North Korea's suspected efforts to develop nuclear weapons were the greatest obstacle to practical development of inter-Korean relations.

At a conference of top officials of the two countries after the summit, No said denuclearization of the Korean peninsula was essential for peace and stability not only in Korea but also in the northeast Asian region.

President No told his host that, in consideration of the special relationship between China and North Korea, South Korea had no intention of unifying the country by "absorbing" the North. Nor did South Korea want to isolate North Korea in the world community, No said.

With regard to bilateral trade, the two leaders agreed to hold regular cabinet-level meetings in each field in order to solve problems for the promotion of economic cooperation.

No and Yang expressed their satisfaction at the conclusion of trade, investment guarantee, and technological cooperation agreements. They also shared the opinion on the need for early signing of double-taxation prevention and aviation and maritime agreements.

Meanwhile, Yang accepted No's invitation to visit South Korea. The exact date for the visit will be worked out later through diplomatic channels.

Following the summit meeting, No attended a luncheon given by South Korean and Chinese businessmen.

In a speech, No pointed out that economy of the two countries have supplementary characteristics. The two countries will become great partners for the prosperity of the world when they combine China's manpower and natural resources with South Korea's capital, industrial skills and experience.

No was scheduled to attend an official banquet to be hosted by Yang at the People's Hall Monday evening.

Stresses Economic Cooperation

SK2809025092 Seoul YONHAP in English
0236 GMT 28 Sep 92

[Text] Beijing, Sept. 28 (YONHAP)—South Korean President No Tae-u stressed the importance Monday of Seoul-Beijing economic cooperation combining Chinese resources and Korean capital.

China had excellent human resources, abundant natural resources and highly developed scientific technology, No told Korean and Chinese business leaders at a lunch.

"When these advantages are combined with South Korea's capital, industrial technology and development experience, the two countries can grow as valuable companions for prosperity of the people and the world," he said.

The Korean president arrived Sunday [27 September] for a four-day visit following Seoul-Beijing diplomatic normalization Aug. 24.

Among the guests at the lunch were Chinese Foreign Economic Relations and Trade Minister Li Lanqing,

China-South Korea Economic Cooperation Committee Co-Chairmen Zheng Hongye and Kim Sang-ha, Korean Trade and Industry Minister Han Pong-su, and Science and Technology Minister Kim Chin-hyon.

The two countries will change their trade and investment guarantee accords from private to governmental agreements during No's visit.

"These accords will serve as firm bases in expediting bilateral economic exchanges and cooperation," No said. "I hope that my visit to China will become a milestone in promoting mutual cooperation between the two nations."

Addresses Chinese, Korean Businessmen

*OW2809103492 Beijing XINHUA in English
1007 GMT 28 Sep 92*

[Text] Beijing, September 28 (XINHUA)—President No Tae-u of the Republic of Korea said here today that he and Chinese President Yang Shangkun agreed that cooperation between the two countries has "a boundless bright future."

"From now on our immediate task is to develop sincere cooperation between our two peoples in the same boat," said the president when addressing Chinese and Korean business people at a luncheon at the state guesthouse given by the Korean ambassador to China, No Chae-won.

President No Tae-u said that it was of far reaching significance for the economic leaders of the two countries to gather for the first time to explore ways for mutual prosperity.

He said he had mixed feelings when looking back on his efforts of the past four years to usher in reconciliation and cooperation in Northeast Asia, especially his first visit to China as ROK head of state.

The president expressed his appreciation of China's astonishingly fast economic growth, absent from other socialist countries, and its great contribution to the expansion of the world economy.

The president said that the trade volume between the two countries in the past three years rose two fold to 5.8 billion U.S. dollars last year from 3 billion U.S. dollars in 1988.

He predicted 10 billion U.S. dollars for this year.

Recent years have also witnessed a dramatic increase in ROK's investment in China, noted the president.

By the end of June this year, 292 korean firms had invested in China with capital totalling 250 million U.S. dollars. The range of the projects has expanded from small and medium sized labor-intensive sectors to key industries such as electronics, chemistry and steel.

President No said the expansion of trade also boosted the exchange of visitors between the two countries.

Fewer than 2,000 people traveled between the two countries in 1988. The figure reached 90,000 in 1991, and over 150,000 people are expected this year.

During the president's four-day visit, the two countries will sign several economic agreements including trade and investment protection which will further promote economic cooperation.

The economies of the two countries can be supplementary, the president noted, as China boasts rich resources, talents and a high level of science and technology while ROK is strong in capital, advanced industrial technology and development experience.

"I believed we can be good partners," said the president, adding that he hoped his current visit can become a milestone for the two countries in their bilateral friendly cooperation.

Present at today's luncheon were vice-premier Tian Jiyun, state councillor and minister in charge of the State Science and Technology Commission Song Jian, and Minister of Foreign Economic Relations and Trade Li Lanqing.

ROK Foreign Minister Yi Sang-ok, Trade and Industry Minister Han Pong-su, and Science and Technology Minister Kim Chin-hyon also attended the luncheon.

Holds 'Formal Talks'

*OW2809072492 Beijing XINHUA in English
0701 GMT 28 Sep 92*

[Text] Beijing, September 28 (XINHUA)—Chinese President Yang Shangkun and President No Tae-u of the Republic of Korea (ROK) held formal talks here today and exchanged views on bilateral relations and international issues of common concern in a sincere and friendly atmosphere.

Extending a warm welcome to No, Yang said, "You are the first head of state from the Republic of Korea to visit China and this first meeting between us is of great importance. It will surely increase mutual understanding and push our bilateral ties to an all-round development based on the five principles of peaceful coexistence.

"We attach great importance to your current visit and believe the visit is certain to achieve complete success," Yang said.

No thanked the Chinese side for the warm reception that he has received since he arrived here yesterday.

On bilateral relations, Yang said China and ROK, as neighbors separated only by a strip of water, have historically cherished close contacts and share many cultural traditions.

Because of historical reasons, he went on, the two countries were in an abnormal state of separation in the past four decades.

Yang noted that following recent changes in the international arena and easing of tension on the Korean peninsula, the relationship between China and the ROK has come back to the normal track and entered a new phase.

The establishment of diplomatic ties is in the fundamental interests of the two peoples and opens up broad prospects for mutually beneficial cooperation in all fields between the two nations, Yang said, adding that it is also conducive to peace, stability and development in northeast Asia and Asia as a whole.

The response of the international community to the establishment of Sino-ROK diplomatic ties is very favorable, he said.

During the talks, No said the contacts between the two nations can be traced back thousands of years and his current visit to China has served to restore traditional relations.

The meeting between the leaders of the two countries will have a positive impact on the peace and stability in Northeast Asia as well on the growth of the relations between the two countries.

No expressed his appreciation of the eye-catching achievements China has scored in its reform and opening up to the outside world. He said he has brought leading entrepreneurs with him from his country, with an aim to effectively enhance bilateral trade ties.

Yang stated that in recent years, the situation on the Korean peninsula has moved toward relaxation and North-South relations have improved.

Recently, he continued, the summit between the prime ministers of the North and South has yielded positive results and laid a basis for future exchange and cooperation.

Yang said, "We have always supported relaxation on the peninsula and contacts and dialogues between the North and South. We also support the peaceful and independent reunification of entire Korea and the Chinese Government and people will continue to work for peace and stability on the peninsula and in Northeast Asia."

During the nearly two hours of talks, the two leaders also briefed each other on situations in their respective nations.

No invited Yang to visit the ROK at a time convenient to him. Yang accepted the invitation with pleasure.

Qian Qichen, Chinese state councillor and foreign minister, and Li Lanqing, chairman of the Chinese Government reception committee and minister of foreign economic relations and trade, were present.

Yi Sang-ok, ROK foreign minister, Han Pong-su, trade and industry minister, and Kim Chin-hyon, science and technology minister, also attended the talks.

Holds 'Expanded Summit'

SK2809041792 Seoul KBS-1 Radio Network in Korean
0300 GMT 28 Sep 92

[Text] President No Tae-u, now visiting China, participated this morning in an official welcoming ceremony held in the square of the Great Hall of the People in Beijing. Following this he is now holding historic ROK-PRC summit talks in the Great Hall of the People to discuss the development of bilateral relations and the situation in Northeast Asia and on the Korean peninsula.

Station reporter Mun Chae-chol reports from Beijing:

[Begin Mun recording] At this time President No Tae-u is holding an expanded summit with Chinese President Yang Shangkun, after a private meeting with him. It was learned that at the private meeting, the two presidents exchanged deep views on the development of ROK-PRC relations and extensively discussed in particular issues on the Korean peninsula and North Korea's nuclear weapons.

At the private meeting, indicating that North Korea's moves for nuclear weapon development are not only a key obstacle to practical progress in North-South relations but also pose a serious threat to peace and stability in the Korean peninsula and the Asian-Pacific region, President No stressed our position on the need for the early realization of mutual nuclear inspections between North and South Korea and asked China to continue exercising its influence on North Korea.

In response, President Yang Shangkun expressed his support for the joint declaration on denuclearizing the Korean peninsula. It remains to be seen, however, what effort China promised to make for the implementation of South-North mutual inspection based on the South-North joint declaration on denuclearization.

Prior to the summit meeting, President No Tae-u attended an official welcoming ceremony held in the plaza east of the Great Hall of the People next to Tiananmen Square.

President No Tae-u and Mrs. No arrived in the plaza east of the Great Hall of the People at 1100 this morning, warmly shook hands with President of the State Yang Shangkun, and had the Chinese cabinet members introduced to him.

At the end of this process, Presidents No and Yang Shangkun mounted the reviewing stand and then saluted the two countries' national flags while the national anthems of our country and China were played in succession and a 21-gun salute reverberated throughout Tiananmen Square.

President No completed the 15-minute official welcoming ceremony by reviewing the Chinese Army honor guard and then moved to the Great Hall of the People in the company of President Yang Shangkun to begin their summit meeting.

On the broad road east of the Great Hall of the People, where the welcoming ceremony took place, were Chinese crowds who welcomed the ROK president's visit by waving the two countries' flags, and Korean compatriots, including employees of the ROK business firms operating in Beijing and their families. They appeared to be deeply emotional while looking up at the national flags flying above the Great Hall of the People and listening to the playing of the national anthems.

The summit meeting is expected to continue until 1240 local time in Korea [0340 GMT] this afternoon. Upon concluding the summit meeting, President No Tae-u plans to clarify our position on ROK-Chinese economic cooperation in a luncheon session with the two countries' economic ministers and businessmen.

President No Tae-u will end his second day's schedule in Beijing by touring the Forbidden City this afternoon and attending an official dinner to be hosted this evening by President Yang Shangkun. [end recording]

Trade Council Meets ROK Chamber of Commerce

SK2809060192 Seoul YONHAP in English
0548 GMT 28 Sep 92

[Text] Beijing, Sept. 28 (YONHAP)—The Korea Chamber of Commerce and Industry [KCCI] and the China Council for the Promotion of International Trade [CCPIT] held their first annual consultative conference in Beijing on Monday [28 September].

The meeting, timed with the first Korea-China summit, was attended by Korean Trade and Industry Minister Han Pong-su, Chinese Foreign Economic Relations and Trade Minister Li Lanqing, over 100 officials of the two governments and businessmen.

They agreed to hold the conference alternately in Seoul and Beijing and concluded a protocol on cooperation that stipulates "maximum" cooperation in promoting trade, joint ventures, technology transfer, and exchanges of information and data on bilateral trade and economic cooperation.

The two organizations also agreed to offer cooperation and convenience to each other's delegations and to participate in commercial exhibitions sponsored by each other.

The consultative conference is led by KCCI President Kim Sang-ha on the Korea side and CCPIT Chairman Zheng Hongye on China's side.

Ministry Official Interviewed on ROK Relations

SK2609091392 Seoul CHOSON ILBO
in Korean 24 Sep 92 p 4

[Interview with Wang Yingfan, director of the Department of Asian Affairs of the Chinese Ministry of Foreign Affairs, by Kim Chol, director of the CHOSON ILBO International Department, in Beijing on 19 September]

[Text] [Kim Chol] Let me ask you about ROK-Chinese diplomatic relations.

[Wang Yingfan] I am glad to meet ROK reporters for the first time since ROK-Chinese diplomatic relations were established.

[Kim] Some people regarded the establishment of ROK-Chinese diplomatic relations as a sudden event. China's basic attitude had been that it would establish diplomatic relations with the ROK only after great progress was made in relations between North Korea and Japan and between North Korea and the United States. Were there any special circumstances that prompted the sudden establishment of diplomatic relations with the ROK?

[Wang] The establishment of Chinese-ROK diplomatic relations was the result of developments in Asia. We think it is certainly helpful in achieving peace on the Korean peninsula. In addition, the establishment of Chinese-ROK diplomatic relations was the result of the improvement of North-South relations on the Korean peninsula.

The North and the South simultaneously entered the United Nations in the fall of 1991. Since then, the North and the South have frequently held contacts. Chinese-ROK relations brought forth the establishment of trade representatives. Trade between the two countries has increased and has led to official relations. We think the establishment of Chinese-ROK diplomatic relations will help normalize ties between North Korea and Japan and between North Korea and the United States.

The establishment of Chinese-ROK diplomatic relations will help ensure safety in Northeast Asia.

Based on these considerations, the conditions for establishing diplomatic relations were already met. Therefore, the leaders of the two countries made up their minds to establish official relations.

[Kim] I know that the most important basic principle in China's external policy is antihegemonism. The main issue included in the five diplomatic principles, which Foreign Minister Qian Qichen revealed in a Shanghai seminar some time ago, is antihegemonism. There are growing disputes between the United States and China over the U.S. sale of F-16 fighters to Taiwan. Do you regard U.S. behavior as a kind of hegemonism?

[Wang] China's basic external policy is against hegemonism and a policy of high-handedness. In particular,

we regard "nonintervention in internal affairs" as an important element in the five principles for peace and coexistence. The U.S. sale of fighters to Taiwan runs counter to the joint statement existing between the two countries. Taiwan is a part of China. Thus, the United States sold weapons to a province of China.

[Kim] Former Singaporean Prime Minister Lee Kuan Yew said that the U.S. troops must remain in Asia for a considerably long time even though the Cold War is over. He meant that if the United States radically withdraws its troops from Asia, China and Japan will enter into the arms race.

[Wang] The Chinese Government opposes in principle the arms race in Northeast and Southeast Asia. It also opposes the presence of foreign troops in this area. We know that different countries have different views on this issue.

We also know that some countries worry that China or Japan may fill the vacuum caused by the withdrawal of U.S. troops. However, Chinese Foreign Minister Qian Qichen answered this question in the Philippines in July. We do not buy the vacuum theory.

Our diplomacy basically opposes hegemonic tendencies. A country that sends its troops to foreign countries is hegemonic. China will not send its troops to foreign countries to fill a certain vacuum. China is devoting itself to economic construction and has many jobs to do.

China has no interest in matters other than economic construction. It is unrealistic to worry that China will expand its influence in foreign countries.

[Kim] The EC, the North American Free Trade Agreement, and other economic blocs have been emerging in various parts of the world. Basically, capitalist countries belong to these economic blocs and promote economic cooperation among themselves. What is the view of China, which has a socialist market economy?

[Wang] The emergence of various economic cooperation blocs is a global trend.

Economic exchange and cooperation have been briskly promoted as science and technology has developed. China supports the formation of such regional economic blocs and intends to join them.

China assumes a positive attitude toward any bloc, whether it is the Asia-Pacific Economic Council or the East Asian Economic conference proposed by Malaysian Prime Minister Mahathir. We think that economic cooperation in this region will be helpful.

[Kim] I think China's international position has been strengthened since diplomatic relations between the ROK and China were established. Among the four powers in the Korean peninsula's vicinity, China is the only country that maintains friendly formal relations with both North and South Korea. When the Japanese king [as published] visits Beijing next month, the legacies

of past relations between China and Japan will be eliminated, and a time will come when China and Japan will further promote cooperation. It appears that Beijing is becoming a political center in Northeast Asia. What do you think?

[Wang] The PRC and the ROK had no official ties. They now can cooperate with each other directly. Such cooperation will help ease the situation on the Korean peninsula. China established diplomatic relations with Japan earlier than it did with the ROK. This year marks the 20th anniversary of the establishment of diplomatic relations between China and Japan.

The Japanese emperor's visit is very important in the history of relations between China and Japan. His visit will take relations between China and Japan a step further. China and Japan have cooperated with each other for a long time. Now China and the ROK will begin a new era of economic cooperation. China's main goal is to develop cooperation rather than to become a political center.

[Kim] What is China's view on Japan's participation in the peacekeeping operations?

[Wang] Considering its past history, Japan must be more prudent in this matter.

Opposition to DPRK Nuclear Program Affirmed

SK2809084192 Seoul YONHAP in English
0826 GMT 28 Sep 92

[Text] Beijing, Sept. 28 (YONHAP)—The Chinese Government on Monday [28 September] reiterated its policy of opposing North Korea's nuclear development program, saying it has consistently supported denuclearization of the Korean peninsula.

Wu Jianmin, Chinese Foreign Ministry spokesman, explained the Chinese position at a press briefing following summit talks between South Korean President No Tae-u and his Chinese counterpart, Chairman Yang Shangkun.

The Chinese Government believed pending issues between South and North Korea would be solved through dialogue, Wu said.

Asked by a reporter from the Taiwanese UNITED DAILY NEWS whether the two leaders discussed Taiwan, Wu said that the question of Taiwan was contained in the joint statement on the establishment of diplomatic relations between Seoul and Beijing.

"As president No has already recognized Taiwan as part of China and official relations between South Korea and Taiwan have been severed, the Chinese Government believes South Korea-Taiwan relations would be maintained only on a private level," Wu said.

Former Japanese Prime Minister in Beijing

*OW2509135492 Beijing XINHUA in English
1255 GMT 25 Sep 92*

[Text] Beijing, September 25 (XINHUA)—Former Japanese prime minister Yasuhiro Nakasone arrived here by air this afternoon for a nine-day visit to China at the invitation of the Chinese People's Institute of Foreign Affairs.

Nakasone has visited China many times since the 1950's. During the current visit, he will attend the celebrations for the 20th anniversary of the normalization of diplomatic relations between China and Japan.

Liu Shuqing, president of the host institute, held a two-hour talk late this afternoon with Nakasone. They exchanged views on Sino-Japanese relations, the situation in the Asian-Pacific regions and international issues of common interest.

Liu briefed Nakasone on China's economic development and its independent foreign policy of peace. He expressed the hope that the two countries will make common efforts to advance their good relationship from generation to generation.

Nakasone attributed the development of bilateral relations mainly to mutual respect of each other's history, cultural tradition and adhering to the principle of non-interference in each other's internal affairs.

He said efforts should be made to ensure peace and long-term stability of the two countries, and hoped that the Japanese side will make more contributions to China's modernizations.

This evening, Liu gave a dinner in honor of Nakasone and his wife and their party.

Meets President Yang Shangkun

*OW2609094392 Beijing XINHUA in English
0845 GMT 26 Sep 92*

[Text] Beijing, September 26 (XINHUA)—Chinese President Yang Shangkun said today that the forthcoming visit to China by Japan's Emperor Akihito and the empress is a major event in the history of the relations between China and Japan.

China will do its utmost to ensure the visit is a complete success, said Yang during a meeting with visiting former Japanese prime minister Yasuhiro Nakasone at the Great Hall of the People.

Mr Nakasone said proposals for the Japanese emperor's China visit were discussed when he was prime minister. He was pleased to see them come to fruition.

During the meeting both Yang and Mr. Nakasone exchanged views on bilateral relations and the world and regional situation.

Yang described Mr. Nakasone as "an old friend of China" and gave a high appraisal of his contributions to the promotion of bilateral friendly relations.

He said it is significant that Mr. Nakasone is paying a visit to China on the occasion of the 20th anniversary of the normalization of diplomatic relations between the two countries.

Over the past 20 years, Yang said, fruitful results have been made in exchanges and cooperation between the two countries in the fields of politics, economics, culture, science and technology.

He expressed the hope that the relationship will be further expanded.

Yang said he believed that the Sino-Japanese friendship from generation to generation will help promote peace, stability and development in the Asia-Pacific region and the world as a whole.

Mr. Nakasone said he was glad to be in China on the occasion of the 20th anniversary of the normalization of diplomatic relations.

He noted the smooth development of bilateral relations over the past 20 years.

Great progress had also been made in China mainly as a result of the policy of reform and opening to the outside world initiated by Deng Xiaoping.

Mr. Nakasone congratulated China for taking new steps towards the next 20 years of Sino-Japanese relations, adding that Japan will cooperate in China's construction within its capabilities.

He said that Japan will never forget the past and hopes that this year will become a new starting point for the growth of bilateral relations.

Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, attended the meeting.

Gives Letter for Li Peng

*OW2609080992 Tokyo KYODO in English
0654 GMT 26 Sep 92*

[Text] Beijing, Sept. 26 KYODO—President Yang Shangkun promised Japanese former Prime Minister Yasuhiro Nakasone on Saturday [26 September] an earnest welcome for Emperor Akihito and Empress Michiko, scheduled to visit China in late October, Japanese officials said.

In a meeting at the Great Hall of the People, the visiting Japanese politician was quoted as telling Yang that Prime Minister Kiichi Miyazawa had asked him to give a letter to Premier Li Peng expressing hope for the success of the imperial visit.

During the 80-minute meeting, Nakasone expressed his strong desire that the visit bear fruit in promoting friendly relations between the two countries, the officials said.

Yang reportedly said the emperor's visit is historically important for both countries and pledged China's utmost efforts for the success of the imperial visit, slated for October 23 to 28.

Nakasone is in Beijing at the invitation of the Chinese People's Institute of Foreign Affairs.

Meets With Jiang Zemin

OW2609145692 Tokyo KYODO in English
1412 GMT 26 Sep 92

[Text] Beijing, sept. 26 KYODO—Chinese Communist Party leader Jiang Zemin said in a meeting with former Japanese prime minister Yasuhiro Nakasone on Saturday [26 September] that next month's visit by Emperor Akihito will contribute to the development of long-term Sino-Japanese friendship, Japanese officials said.

In an hour-long meeting, Jiang told Nakasone preparations for the visit are proceeding positively, adding "we firmly believe the visit of the emperor and empress will contribute to the promotion of China-Japan friendship for the generations."

Nakasone thanked Jiang for the preparations and consideration of the Chinese officials and people for the visit, scheduled to get under way October 23.

"We believe the visit will certainly be successful," Nakasone said.

Jiang told Nakasone that the 14th National Congress of the Chinese Communist Party opening on October 12 could be called "historical," indicating the congress would be used to reaffirm the nation's reform policies.

Since Deng Xiaoping proposed policies for reform and liberalization, China has accomplished considerable development, Jiang said. China must establish socialism with Chinese characteristics which positively introduces a market economy, he said.

The general secretary stressed that even though the international situation remains unstable, China plans to pursue basic diplomatic policies supporting friendly relations with its neighbors.

Proposes Political Forum in East Asia

OW2809031092 Tokyo KYODO in English
0254 GMT 28 Sep 92

[Text] Beijing, Sept. 28 KYODO—Former Japanese prime minister Yasuhiro Nakasone on Monday [28 September] proposed setting up a new political forum in

the East Asia-Pacific region to promote antiwar and nonaggression principles, and dialogue and communication in the area.

In a speech at an academic society meeting, Nakasone said such a forum was needed in the region as the end of the Cold War will expand the functions of the United Nations and activate regional organizations.

Turning to Japan-China ties, Nakasone said a stable relationship between the two nations is a "solid foundation for peace and stability in the Asia-Pacific region and the world."

He expressed hope that the upcoming visit to China by Emperor Akihito and Empress Michiko from October 23 will lay the basis for such a relationship and that the visit will serve as an "opening ceremony for the 21st century."

Nakasone also said the Japanese people do not wish Japan to become a military superpower and that there is also no need to become one.

The Japanese, he said, are "strongly aware" that becoming a military superpower has a negative effect.

In China and other Asian nations, concern has been voiced over Japan's dispatch of its troops to Cambodia to join UN peacekeeping activities.

Nakasone is on a 10-day visit to China for talks with Chinese leaders.

Delivers Speech 28 Sep

OW2809075492 Beijing XINHUA in English
0715 GMT 28 Sep 92

[Text] Beijing, September 28 (XINHUA)—Former Japanese Prime Minister Yasuhiro Nakasone said today that the scheduled visit by Japanese Emperor Akihito and empress to China is a "major event in Japanese-Chinese history".

Nakasone expressed the hope that the visit will lay the foundation for Japanese-Chinese friendship into the 21st century.

He Nakasone made the remarks this morning at the Chinese People's Institute of Foreign Affairs when he delivered a speech on Japanese-Chinese relations and reviewed the regional and international situation.

He said that Japan and China first started to discuss the possibility of a visit by the emperor when he was prime minister, and he is pleased it has come to fruition.

On the development of bilateral relations over the past 20 years, Nakasone said that the two countries have developed a very good rapport. They should use the opportunity of the 20th anniversary of the normalization of ties to further the relationship.

The former prime minister said Japan should not forget the past, and should prepare itself for a closer relationship with China in the next 20 years.

Nakasone also talked on the major changes in the world and on the situation in the East-Asian and the Western Pacific region.

He believed that the region could become more stable and developed than other parts of the world if countries in the region increase mutual understanding and strengthen cooperation.

He noted China's broad prospects in its economic development.

Over 150 people from political, diplomatic, academic and journalistic circles attended the lecture.

Nakasone arrived September 25 as guest of the Chinese People's Institute of Foreign Affairs.

Wu Xueqian Urges Japan's SDP To Promote Ties

*OW2609164792 Beijing XINHUA in English
1613 GMT 26 Sep 92*

[Text] Tokyo, September 26 (XINHUA)—Chinese Vice Premier Wu Xueqian said here today that he hoped Japan's Social Democratic Party (SDP) continue its efforts to promote the development of long-term stable friendly ties between Japan and China.

Wu said this during his second-round of talks with SDP Chairman Makoto Tanabe.

He said relations between the two countries are in a "very good" period thanks to the consistent joint efforts made by both sides.

Noting that Sino-Japanese relations have become more important in the changing world, Tanabe said the two countries should develop relations in world perspective toward the 21st century.

Wu, who heads a Chinese Communist Party (CPC) delegation, is visiting Japan at the invitation of the SDP.

Wu also said that the CPC attaches great importance to ties with the SDP. He invited the SDP to send a delegation to China next year to mark the 10th anniversary of the establishment of relations between the two parties. Wu and the delegation will end the visit and return home on Sunday [27 September].

Wu Xueqian Meets With Japanese House Speaker

*OW2609145092 Beijing XINHUA Domestic Service
in Chinese 1451 GMT 25 Sep 92*

[By reporter Huang Fengzhen (7806 7685 3791)]

[Text] Tokyo, 25 Sep (XINHUA)—Japanese House Speaker Yoshio Sakurauchi today met with Wu Xueqian, member of the Political Bureau of the CPC Central

Committee and vice premier of the State Council, and his entourage. The meeting took place at Sakurauchi's official residence. Wu Xueqian and his delegation are currently visiting Japan.

Wu Xueqian briefed Sakurauchi on China's domestic situation during the meeting. He said: "China is currently in the process of intensifying its reformist drive, opening wider to the outside world, and speeding up economic development." He added: China will further increase and develop economic cooperation with other countries, including Japan, in a bid to accelerate socialist modernization. It is hoped that Japan will move more energetically and expeditiously in providing funds and transferring technology to China, in exchanging experiences with the latter, and in helping China train skilled personnel.

Sakurauchi praised China's new progress in reform and opening following Deng Xiaoping's speeches during his tour of southern China. He expressed his support for efforts to promote investment in China and to further increase economic and technological cooperation between Japan and China.

During the meeting, the two sides had a frank and cordial exchange of views on international issues of common concern.

In the afternoon, Wu Xueqian and his entourage met with Koko Sato, chairman of the General Council of the Liberal Democratic Party [LDP]; Yamagishi, president of Japan's Private Sector Trade Union Confederation; Suzuki, governor of Tokyo city; and Nikkaido, senior adviser to the LDP and a member of Japan's House of Representatives. In the evening, Kisaburo Ikeura, president of the Japan-China Association for Promotion of Investment, hosted a banquet in honor of Wu Xueqian and his entourage.

Liu Shuqing Meets Former Japanese Official

*OW2709071492 Beijing XINHUA in English
0651 GMT 27 Sep 92*

[Text] Beijing, September 27 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, met with Zentaro Kosaka, former Japanese foreign minister, here today.

At the meeting, Liu and Kosaka exchanged views on Sino-Japanese relations and other issues of common concern. Kosaka told Liu that he was happy to see the rapid development of the Japan-China relations and would work hard to enhance the friendship between the two countries.

Kosaka and his party arrived here Saturday on a goodwill visit to China at the invitation of the Chinese institute. During their stay in Beijing, they will attend celebrations of the 20th anniversary of the normalization of China-Japan diplomatic ties.

Song Jian Meets Japanese Guests 27 Sep

*OW2709122192 Beijing XINHUA in English
1211 GMT 27 Sep 92*

[Text] Beijing, September 27 (XINHUA)—Song Jian, Chinese state councilor and minister in charge of the State Science and Technology Commission, met with Fukushiro Nukaga, member of the Japanese House of Representatives, and other foreign guests here this evening.

The two sides exchanged views on Sino-Japanese scientific and technological exchanges.

Nukaga and his party came here this afternoon. They are to attend a symposium on Sino-Japanese industrial science and technology, which is scheduled to open tomorrow.

Li Tieying Meets Former Japanese Envoy, Party

*OW2809081192 Beijing XINHUA in English
0751 GMT 28 Sep 92*

[Text] Beijing, September 28 (XINHUA)—Li Tieying, Chinese state councilor and minister in charge of the State Education Commission (SEC), met here this afternoon with first Japanese ambassador to China and now vice-chairman of the Japan-China Society Heishiro Ogawa and his wife Yoshiko Ogawa.

During the meeting, Vice-Minister of the SEC Teng Teng, on behalf of the commission, presented a certificate of merit to Yoshiko Ogawa, secretary-general of the Education Information Exchange Committee of the Japan-China Conference, a non-governmental organization, and thanked her for her efforts to promote educational exchanges between China and Japan.

Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, met with and hosted a luncheon for the Ogawas and their party. Ogawa, Japanese ambassador to China between 1972 and 1977, and his party came to China September 22 as guests of the institute.

Southeast Asia & Pacific

Li Peng Meets Cambodia's Prince Sihanouk

*OW2709145892 Beijing XINHUA in English
1442 GMT 27 Sep 92*

[Text] Beijing, September 27 (XINHUA)—Chinese Premier Li Peng met with Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia, at the Diaoyutai State Guesthouse here this evening.

Li praised Sihanouk for his fruitful work after he returned to Phnom Penh and on the gratifying changes in Cambodia.

The premier said China, as a signatory state of the Paris Accord on the Cambodia issue, will abide by the accord and make efforts to promote the complete implementation of the agreement.

During the meeting, Sihanouk briefed Li on the positive changes in the Cambodian situation after he returned, saying that he worked day and night for the national reconciliation and implementation of the Paris Accord, and made achievements in safeguarding the independence and sovereignty as well as rehabilitation and reconstruction of his country.

Sihanouk praised the constant development of the friendship and cooperation between the two peoples.

Following the meeting, Li hosted a dinner to entertain Prince Sihanouk.

Present at the meeting and dinner were Monique, wife of Sihanouk; Zhu Lin, wife of the premier; Qi Huaiyuan, director of the foreign affairs office of the State Council; Vice-Foreign Minister Xu Dunxi; and Chan Youran, Cambodian ambassador to China.

New Thai Prime Minister Praises Chinese Ties

*OW2809080892 Beijing XINHUA in English
0737 GMT 28 Sep 92*

[Text] Bangkok, September 28 (XINHUA)—The friendship relations between Thailand and China should be further strengthened, Thai Prime Minister Chuan Likphai said here today.

"Thailand and China not only have very good relations, the kin-like friendship also exists between the two countries," Chuan said during his meeting with Chinese Ambassador to Thailand Li Shichun.

Li called on Chuan to deliver Chinese Premier Li Peng's message for congratulating Chuan's appointment as Thailand's new prime minister.

Chuan said it is his belief that during his tenure of office the Sino-Thai relations will be further strengthened.

There are opportunities for both Thailand and China to further enhance the economic cooperations in the days to come, Chuan said.

Chuan was appointed Thailand's prime minister on September 23.

Leaders Congratulate New SRV Counterparts

*BK2809101792 Beijing Radio Beijing in Vietnamese
1100 GMT 26 Sep 92*

[Text] On 24 September Yang Shangkun, president of the People's Republic of China, sent a message of greetings to Comrade Le Duc Anh, warmly congratulating the latter for being elected state president of Vietnam. The message says:

On the occasion of your election as SRV president, I would like to express my warmest greetings to you. China and Vietnam are two neighboring countries sharing the same mountain ranges and rivers. The peoples of the two countries have a warm traditional friendship. Since the normalization of relations in January last year, our two countries have gradually relinked and developed relations in all fields. I believe that through the common efforts of China and Vietnam, the cooperation and exchanges between our two countries will continuously broaden and the friendship between the two peoples will be further consolidated and strengthened. It is my wish that you will continue to score new achievements in your important position.

On the same day Wan Li, chairman of the Standing Committee of the PRC National People's Congress, sent a message of greetings to Comrade Nong Duc Manh, warmly congratulating him for being elected chairman of the SRV National Assembly. The message says:

On the occasion of your election as chairman of the SRV National Assembly, I would like to express my warmest greetings to you. China and Vietnam are two neighboring countries, and the people of the two countries have an old, traditional friendship. Since the normalization of relations between the two countries in January last year, relations in all fields have developed well. I hope that the exchange and cooperation between the national assemblies of the two countries will be further strengthened, contributing more to the consolidation and development of the traditional friendship between the peoples of the two countries. It is my wish that you will continuously score new achievements in your important position.

On 24 September, Li Peng, prime minister of the PRC State Council, sent a message of congratulatory greetings to Comrade Vo Van Kiet. The message says:

I would like to send my warmest greetings to you on your election as SRV prime minister. Since the normalization of China-Vietnam relations, the relations between the two countries have been restored and developed in all fields. China-Vietnam relations have been continuously consolidated and strengthened, providing basic benefits and meeting the aspirations of the two countries' people. The Chinese Government and people greatly treasure the relations of friendship, the neighborly harmony, and the warm traditional relationship between the two countries. I believe that through common efforts, the relations of friendship and neighborly harmony between China and Vietnam will continue to develop. I hope you will continuously score new achievements in your important position.

Singapore's Lee Kuan Yew Leaves for Beijing

*OW2809050092 Beijing XINHUA in English
0403 GMT 28 Sep 92*

[Text] Singapore, September, 28 (XINHUA)—Singapore Senior Minister Lee Kuan Yew left here today for Beijing, starting his official visit to the People's Republic of China.

Lee is accompanied by his wife, Deputy Prime Minister Ong Teng Cheong and Senior Minister of State for Trade and Industry Lim Boon Heng.

Chinese ambassador to Singapore Zhang Qing went to see Lee and his delegation off at the airport.

At the invitation of Chinese President Yang Shangkun, this is Lee's sixth visit to China. He will call on President Yang, Prime Minister Li Peng and Deputy Prime Minister Yao Yilin during his visit.

Lee Kuan Yew will deliver a key-note address tomorrow at the international economy forum organized by the China International Trust and Investment Corporation (CITIC) from September 29-30 in Beijing.

Lee leaves Shenzhen on October 8 for Hong Kong to pay a two-day visit before returning home.

Arrives in Beijing

*OW2809075692 Beijing XINHUA in English
0730 GMT 28 Sep 92*

[Text] Beijing, September 28 (XINHUA)—Lee Kuan Yew, senior minister of Singapore, and Mrs. Lee arrived here this afternoon for an 11-day visit to China as guests of the Chinese Government.

Lee will also attend an international economic forum, which is sponsored by the China International Trust and Investment Corporation (CITIC) and scheduled to open tomorrow.

Lee is accompanied by Singaporean Deputy Prime Minister Ong Teng Cheong.

Song Jian Receives Indonesian Official

*OW2509123892 Beijing XINHUA in English
1224 GMT 25 Sep 92*

[Text] Beijing, September 25 (XINHUA)—Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, met with visiting Indonesian State Minister for Research and Technology B. J. Habibie and his party here this evening.

The two sides exchanged views on the further strengthening of science and technology cooperation between the two countries.

Habibie came here to attend the 18th session of the International Congress of Aviation Science, which ended today.

Lin Zongtang, minister of aero-space industry, was present at the meeting.

After the meeting, Song hosted a banquet for the Indonesian guests.

Wang Wendong Signs Accord With Vanuatu

OW2509150592 Beijing XINHUA in English
1426 GMT 25 Sep 92

[Text] Canberra, September 25 (XINHUA)—An agreement on economic and technical cooperation between the Chinese and Vanuatu Governments was signed in Port Vila today.

The agreement was signed by Maxime Carlot, prime minister of Vanuatu, and Wang Wendong, visiting vice minister of foreign economic relations and trade of China, on behalf of their respective government.

Under the agreement, China will provide Vanuatu with an interest-free loan of 20 million renminbi yuan (3.7 million U.S. dollars) during the next five years, diplomatic sources in Port Vila said.

The agreement also details further cooperation in various fields of economy and technology between the two countries.

Carlot held talks with Wang before the signing ceremony, during which both sides emphasized the friendly relations between the two countries should be increased.

Wang, heading a governmental economic delegation of China, arrived in Port Vila on Wednesday to pay a four-day visit to the south Pacific nation.

'Roundup' on Australian Prime Minister's Tour

OW2709050892 Beijing XINHUA in English
0423 GMT 27 Sep 92

[“Roundup” by Chen Xin]

[Text] Canberra, September 27 (XINHUA)—The week-long Asia trip by Australian Prime Minister Paul Keating has highlighted a further shift in Australia's foreign policy.

Keating returned home this morning after visiting Japan, Singapore and Cambodia from September 20 to 27.

This was the first time for Keating to visit the three countries since he became prime minister last December.

In a move conforming to his previous statement that Australia should face Asia, Keating further showed his eagerness to redirect Australia's allegiances during the visit.

The four-day stay in Japan was Keating trying to align himself with Japanese Prime Minister Miyazawa, which signaled a switch from Australia's old ties with the United States.

Australia shares with Japan a fundamental interest in the maintenance of an open non-discriminatory and multi-lateral trading system, Keating said when addressing the Japanese Chamber of Commerce and Industry in Tokyo.

“Australia is firmly opposed to any trade arrangements designed to hinder Japan's trade with the world,” he said.

“Japan's prosperity is essential to our prosperity. Arrangements which disadvantage Japan's trade disadvantage ours,” he said.

Japan is the largest trade partner of Australia. Official figures showed that two-way trade between the two countries reached 20 billion U.S. dollars last year.

Observers here said that the recent establishment of the trade alliances of the U.S. with Canada and Mexico, and the U.S. subsidized wheat export program have both prompted Australia to seek its new trade alliances for its own interests.

Meanwhile, the bid of Australia for a greater role in the international stage also directs its focus to the Asia-Pacific region.

“Much more than before, Australians are now conscious of their place in the Asia-Pacific region,” Keating said.

During the visit, Keating continued to promote his proposal that a summit be held among leaders of the Asia-Pacific Economic Cooperation (APEC) countries to advance regionalism.

Both Japanese Prime Minister Miyazawa and Singaporean Prime Minister Chok Tong Goh have reacted positively to Keating's proposal, which Keating has put as an encouraging result of his visit.

Keating's visit to Cambodia also embodied Australia's attempt to set up its image in handling regional affairs. He is the first Western leader to visit the country since the late 1970s.

“We believe Australia and Asia have much to gain from thinking in terms of strategic alliances,” Keating said, “and Australia sees its long-term future as being centered in Asia.”

Near East & South Asia

Xu Xin Meets Pakistan Defense Minister

OW2709150992 Beijing XINHUA in English
1449 GMT 27 Sep 92

[Text] Beijing, September 27 (XINHUA)—At the invitation of Chinese Defense Minister Qin Jiwei, Syed Ghaus Ali Shah, minister of defense of the Islamic Republic of Pakistan, and his party arrived here this afternoon on a six-day goodwill visit to China.

The Pakistan guests were received at the airport by Xu Xin, deputy chief of general staff of the Chinese People's Liberation Army.

Li Tieying Meets With Sudanese Delegation

*OW2409133592 Beijing XINHUA in English
1219 GMT 24 Sep 92*

[Text] Beijing, September 24 (XINHUA)—Li Tieying, Chinese state councillor and minister in charge of the State Education Commission, met with visiting Sudanese higher education delegation here today.

The two sides had a cordial talk and expressed the belief that the bilateral educational cooperation would be further enhanced.

The delegation, headed by Sudanese Minister of Higher Education and Scientific Research Ibrahim A. Omar, came here Wednesday [23 September] as guests of the state education commission.

Apart from Beijing, the delegation is expected to visit Nanjing, Shanghai and Tianjin, where they will discuss inter-school cooperation with universities of these cities.

Liao Hansheng Meets Bangladesh Visitor

*OW2509114692 Beijing XINHUA in English
1122 GMT 25 Sep 92*

[Text] Beijing, September 25 (XINHUA)—Liao Hansheng, vice-chairman of the Standing Committee of the Chinese National People's Congress (NPC), met with visiting presidium member of the People's League of Bangladesh Abdus Samad Azad here this afternoon.

The two sides exchanged views on topics of common interest.

Azad, also deputy opposition leader of the Bangladesh parliament, came here Wednesday as guest of the Chinese Association for International Understanding.

Interest-Free Loans Granted to Jordan

*OW2609142392 Beijing XINHUA in English
1308 GMT 26 Sep 92*

[Text] Amman, September 29 (XINHUA)—China and Jordan today signed a protocol on economic and technology cooperation, under which China will provide 50 million renminbi yuan in interest-free loans to Jordan to support joint economic cooperation programs.

Jordanian Deputy Prime Minister and Minister of Transport 'Ali al-Suhaymat said China is a Third World country and at the same time a big power, which occupies a significant place in world affairs.

The Jordanian minister, who met with a Chinese economic delegation this morning, said the Jordanian Government is always ready to further develop cooperation with China in all spheres.

He said he believed the cooperation between both countries will get further development in the coming years.

Wang Zhanyi, head of the Chinese delegation and deputy minister of transportation, said the Sino-Jordanian relations have been proceeding in a very satisfactory manner since the two countries established diplomatic ties.

He said the Chinese Government is willing to exert greater efforts to further promote economic cooperations with Jordan.

The Chinese delegation held in-depth discussions over economic cooperation with Jordanian Minister of Industry and Trade 'Abdallah al-Nusur earlier in the day.

The Chinese Government delegation, which arrived here Wednesday [23 September] for a four-day official visit, will leave Amman for Sudan in the afternoon.

General Gu Hui Meets Iranian Army Officers

*OW2809084092 Nanjing XINHUA RIBAO in Chinese
17 Sep 92 p 1*

[Unattributed report: "Iranian Army's Joint Chief of Staff Arrives in Nanjing"]

[Text] Lieutenant General Gu Hui, commander of the Nanjing Military Region, cordially met with Major General Shahbazi, joint chief of staff of the Iranian Army, and his party at Jinling Hotel last night.

Present at the meeting were Major General Zhang Zongde, chief of staff of the Nanjing Military Region; Major General Luo Bin, deputy director of the foreign affairs office of the ministry of national defense accompanying the visitors on the tour; and Wang Haitang and Wang Yonghuai, responsible persons of the Nanjing Military Region. Commander Gu Hui said at the meeting: During this visit, Major General Shahbazi and his party have brought the friendship of the Iranian people and army. We are very pleased. Nanjing is one of the famous historical and cultural cities in China, and it holds an important strategic position. I hope that it will leave a good impression on you during the visit.

Major General Shahbazi said: Although our stay in Nanjing is short, we have been deeply enlightened by the good quality and training methods of the Chinese Army. The people and the army of Iran and China share many common grounds. Our current visit will further promote the mutual understanding and friendship between the two sides.

After the meeting, Commander Gu Hui feted Major General Shahbazi and his entourage.

The Iranian distinguished guests visited an infantry division of the Nanjing Military Region yesterday afternoon. At the end of the visit, Major General Shahbazi conveyed the Iranian Army's regards to the officers and men of that division and congratulated them on their outstanding achievements.

Major General Shahbazi and his party arrived in Nanjing from Nanchang by special plane at noon yesterday. They were met at the airport by Commander Gu Hui and Chief of Staff Zhang Zongde.

The Iranian guests will leave Nanjing for Qingdao today to continue their visit in China.

Sub-Saharan Africa

Trade Union Delegation Ends Africa Visit

OW2509115092 Beijing XINHUA Domestic Service
in Chinese 0538 GMT 23 Sep 92

[By reporter Yang Yongquan (2799 3057 3123)]

[Text] Dakar, 23 Sep (XINHUA)—A Chinese trade union delegation led by Zhang Ruiying, vice president of the All-China Federation of Trade Unions and a member of the Standing Committee of the National People's Congress, concluded its visit to Senegal, the last leg of its five-nation African tour, and left Dakar this morning for home.

Madeo Diop, general secretary of the Senegal Federation of National Workers, and Assane Diop, minister of health and social development, separately met with and held friendly conversations with the delegation during its visit. Madeo and Assane warmly lauded China's aid to Senegal. Zhang Ruiying gave a briefing on the role played by Chinese trade unions in national development. The Chinese delegation also held working talks with a delegation of the Senegalese federation to exchange experience in mobilizing workers for national construction and in safeguarding workers' interest.

The Chinese delegation arrived in Dakar on 18 September at the invitation of the Senegalese federation. Prior to their visit here, the delegation visited Rwanda, Burundi, the Ivory Coast, and Guinea. Zhang Ruiying said: The visits to these five countries have been very successful. She added: The visits have further deepened the understanding and friendship between China's trade unions and the people of these countries.

Chen Muhua Meets Guinean Women's Delegation

OW2609134692 Beijing XINHUA in English
1315 GMT 26 Sep 92

[Text] Beijing, September 26 (XINHUA)—Chen Muhua, vice-chairperson of China's National People's Congress (NPC) Standing Committee and president of the All-China Women's Federation, met here today with a women's delegation from the Republic of Guinea.

The delegation is headed by Madame Makale Camara, secretary of state for public health and social affairs.

The visitors arrived here today as guests of the All-China Women's Federation.

West Europe

Zou Jiahua Ends European Trip 26 Sep

OW2609123592 Beijing XINHUA in English
1038 GMT 26 Sep 92

[Text] Amsterdam, September, 26 (XINHUA)—Chinese Vice Premier Zou Jiahua said today his visits to Italy, Spain and the Netherlands will strengthen China's cooperation with these countries.

Zou made the remark in an interview with XINHUA before leaving here for home at the end of a three-nation European tour.

He said it is the common aspiration of China and European countries to safeguard world peace, promote development and increase cooperation.

Zou and leaders of the three European countries all agreed that bilateral relations are back to normal.

"Peace, development and cooperation have tied us together," said Dutch Vice Premier W. Kok.

Zou said, "China and European countries have big complementarities in developing economy. Each has its strong points and advantages."

"Only through long term cooperation can the economies of China and European countries grow in a smooth and sound way. We are satisfied and pleased to see that," he added.

"Our visit has attained its objectives of enhancing mutual understanding, strengthening friendship and promoting further economic and technological cooperation," he said.

'Roundup' on Trip's 'Success'

OW2609141692 Beijing XINHUA in English
1340 GMT 26 Sep 92

[("Round-up" by Yang Yuanhua: "Zou's European Tour Crowned With Success")]

[Text] Amsterdam, September 26 (XINHUA)—Chinese Vice Premier Zou Jiahua ended his three-nation European tour today with the crown of success.

His 20-day visit to Italy, Spain and The Netherlands has attained its objectives of deepening understanding, enhancing friendship and promoting further development of economic and technological cooperation between China and the three countries.

While Western economies are sluggish, that of China is entering a prosperous stage of high-speed growth, providing a solid basis for expanding its economic and technological cooperation with Western Europe.

During his tour, Zou met with heads of state, ministers and important entrepreneurs. He told XINHUA that China and the countries he visited had a common

aspiration to further expand cooperation, a fact which augured well for future relations.

"Peaceful development and cooperation have tied China and European countries together," the Dutch Vice Premier W. Kok commented.

Zou's visit focused on seeking economic and technological cooperation with European countries. The common factors they all shared gave full play to the advantages of each nation, helping boost their separate economies, Zou remarked.

During his tour, Zou visited many big enterprises, including the Dutch electronics giant, Philips, which has good ties with China.

J. Timmer, president of the board of management of Philips said: "We have the great honor of participating in China's large-scale economic construction. The Chinese Government is leading the Chinese people in building a prosperous economy."

Zou and his delegation signed new cooperation agreements in the three countries, laying the foundation for improved links in the future.

Li Peng Meets Former British Prime Minister

*OW2609123892 Beijing XINHUA in English
1214 GMT 26 Sep 92*

[Text] Beijing, September 26 (XINHUA)—Chinese Premier Li Peng met with former British prime minister Edward Heath here today.

In the meeting, Li briefed Heath on the latest developments of China's reform and opening to the outside world. Heath gave an account of the current political and economic situation in Europe.

In the conversation described by a Chinese official as being "warm, friendly, frank and sincere," Li and Heath exchanged views on a wide range of issues, including the Hong Kong question and the impact of the Soviet Union's disintegration on the international situation.

Heath is here on a visit as guest of the Chinese People's Institute of Foreign Affairs.

Liu Fugua Touts Reforms at Belgium Symposium

*OW2609030592 Beijing XINHUA in English
0242 GMT 26 Sep 92*

[Text] Brussels, September 25 (XINHUA)—The Chinese environment for investment and trade has clearly been improved and its potential is great, Liu Fugua, vice-chairman of the China Council for the Promotion of International Trade, said here today.

Liu was speaking at a symposium on the Chinese economy and foreign trade jointly sponsored by the

Belgian-Chinese Economic and Commercial Council and the National Society of Belgian Lawyers.

He said China had achieved much economically since its reform began in 1978. A great change had taken place in the economic system, methods of operating and pricing structure.

Reform had reduced administrative interference and had further brought market forces into play. Prices set by the government and market prices now covered more than 70 percent of all goods.

Liu said China would continually improve its environment for investment with its policy of attracting foreign capital.

The total value of Chinese foreign trade was 135.7 billion dollars in 1991, up 4.82 times on the 1978 figure. Chinese exports accounted for 2 percent of the world trade by volume, ranking 13th in the world.

Liu said China was the biggest developing country and a large potential market as well. Belgium was advanced economically, scientifically and technologically. The two countries could learn from each others' strength to offset each other's weaknesses and cooperate to mutual benefit.

Belgian Company Signs Communications Agreement

*OW260912092 Beijing XINHUA in English
2005 GMT 26 Sep 92*

[Text] Brussels, September 26 (XINHUA)—The Belgian company, Alcatel Bell, signed Friday [25 September] with China agreements on expansion of cooperative telecommunications project which will raise to a larger extent the production capacity of the Sino-Belgian joint-venture, Shanghai Bell Company.

According to the agreements, signed by the Chinese National Postal and Telecom Industry Corporation, the Belgian Government and Alcatel Bell, the Sino-Belgian joint-venture, Shanghai Bell, will boost its annual capacity to 4,000,000 digital telephone lines by 1998.

This capacity means more than three times the current 1.3 million lines and well over thirteen times more than the initially planned capacity.

The agreements also stipulate that the current cooperation will be continued at least until 2013 and will lead Shanghai Bell on the Chinese market to a turnover of 7 billion European Currency Unit (ECU) over the next 20 years, an Alcatel Bell press release said.

Under the agreements, Shanghai Bell will build a new plant at Pudong, an economic zone in Shanghai, which will be completed in 1994 with an annual capacity of 2.1 million lines.

The new plant will be "one of the largest in the world," Alcatel Bell President John Goossens said.

The Shanghai Bell joint venture was founded in 1983 in a partnership between the Chinese National Postal and Telecom Industry Corp, Alcatel Bell and the Belgian Government.

Over the last two years it has been one of the five biggest industrial joint ventures in China.

Shanghai Bell produces the digital Alcatel 1000 S12 telephone system, transmission equipment as well as private branch exchanges.

Yang Xianzu, first vice minister of post and telecom of China and Robert Urbain, Belgian minister for foreign trade, attended the signing ceremony in Brussels.

Political & Social**Photo Album Depicts Deng's Vision, Bearing**
*OW2609224192 Beijing XINHUA Domestic Service
in Chinese 0816 GMT 25 Sep 92*

[By XINHUA reporter He Ping (0149 1627): "Newsletter: Unforgettable Historic Moments—Written on the Occasion of the Publication of the Artistic Photograph Album 'Deng Xiaoping and World Leaders'"]

[Text] Beijing, 25 Sep (XINHUA)—The scenes of time focus here; historic moments are defined here.

At the Great Hall of the People, Deng Xiaoping is speaking fervently and confidently with foreign political leaders, discussing the world situation with them.

In the Shenzhen Special Economic Zone, Deng Xiaoping is looking at groups of newly built tall buildings with an expression of approval on his face.

On Shanghai's Nanpu Bridge, Deng Xiaoping is strolling around, contemplating the perspective and blueprint of Pudong's development....

With its many precious and little-known photographs, the artistic photograph album "Deng Xiaoping and World Leaders" faithfully and vividly records the moments in Deng Xiaoping's work and life in recent years, demonstrating from various aspects the charisma of Deng Xiaoping as a world-recognized "man of the world."

Fast changing times calls for an all-powerful man.

Deng Xiaoping, as the man leading the Chinese people to launch "The Second Revolution," not only is highly respected and revered by the Chinese people, but also has drawn worldwide attention. From the photos in the album of Deng Xiaoping's meetings with heads of foreign governments, people can once again appreciate his extraordinary bearing as a farsighted international statesman who has charted the course of China's development. In the foreword written for the album, former Japanese prime minister Takeshita says: Deng Xiaoping is a great statesman who has founded modern China. I feel honored to have met with him and I admire his brilliant thoughts. This album vividly profiles the inner quality as well as the appearance of Deng Xiaoping, a beloved international statesman; it is a precious album.

The art of photography is a special visual language for describing personality and recording history. The capturing of an instantaneous move sometimes can unveil the innate character of a person and sum up a period of history.

A series of important remarks made by Deng Xiaoping, the general designer of China's policy of reform and opening up, during his inspection tour of the south this spring have drawn strong reactions at home and from abroad. As a result of his remarks, a new wave of reform

and opening up has surged through the divine land. The album depicts Deng Xiaoping's inspections of Shenzhen, Zhuhai, Shanghai, and other localities. One of the photos in the album shows Deng Xiaoping cordially and ebulliently chatting with scientists and technical workers flanking him at a Sino-foreign enterprise in Shanghai. It was at this enterprise that Deng Xiaoping said: In a word, the reason that we have been unable to make great strides in carrying out reform and opening up and that we have balked at doing so is that people fear we might get too many capitalist things and might embark on a capitalist road.

"Is the surname of this equipment 'socialist' or 'capitalist'?" Deng Xiaoping asked, pointing at some imported equipment.

"Their surname was 'capitalist.' Now that they are serving socialism, their surname is now 'socialist,'" a Shanghai leader answered.

This unrecorded answer has clarified a major problem that had bothered us for years. It is intriguing as well as inspiring.

As a proletarian revolutionary of the older generation with outstanding contributions to the country, Deng Xiaoping once said: My life belongs to the party and the country. After I step down, I will remain committed to the party's and the nation's undertakings. Because he has such lofty convictions, he has always sized up the situations and stood forward to point out the course of historical development. As depicted in a photo in the album entitled "Battling the Waves," Comrade Deng Xiaoping, who loves swimming in the deep sea, always plunges into the sea with indomitable spirit and swims against surging waves, no matter how deep the sea, how strong the winds, and how high the waves.

From reviewing troops in Tiananmen Square to joining Jiang Zemin and Li Peng in greeting Kim Il-song at the Beijing Railway Station, from being interviewed by foreign reporters at Zhongnanhai's Ziguang Pavilion to taking part in tree-planting activities in the Jingshan Park, from asking a peasant woman for his way in Sichuan's Emei Mountain to strolling leisurely in the snow....

Yang Shaoming, an artistic photographer who is well known for his skill in taking photos of important world figures, has swiftly captured a string of deciding historical moments and, using his unique way of expression, has vividly presented the image of Deng Xiaoping as an outstanding statesman, strategist, and diplomat, as well as a kind elder.

These precious historical scenes not only record the firm steps of an oriental old man of noble character and high prestige; they also reflect the Chinese nation's historical path to the future.

Magazine To Carry Article on Deng in Shenzhen

HK2609064292 Beijing XINHUA Hong Kong Service
in Chinese 0253 GMT 26 Sep 92

[Text] Beijing, 26 Sep (XINHUA)—A great man's profound foresight, deep concern, and solid footsteps were imprinted in the process of preparing, establishing, and developing the Shenzhen Special Economic Zone, which has traversed a rough and bumpy road and advanced firmly ahead over the past more than 10 years.

The great man is Deng Xiaoping, creator of the special economic zone and general architect of China's reform and opening.

The latest issue of the weekly LIAOWANG to be published next Monday will carry a lengthy article, entitled "Deng Xiaoping and the Shenzhen Special Economic Zone," giving a detailed account of Deng Xiaoping's deep care for the development of the special economic zone.

During the central work conference in April 1979, Deng Xiaoping told the then leaders of the Guangdong Provincial CPC Committee: "Your report this morning was quite good. In Guangdong, a place may be used to set up a special zone. What do you think about this?" He added: "We can run a special zone. In the past, the Shaanxi-Gansu-Ningxia area was a special zone. The central authorities do not have money but you can work out your own measures and blaze a bloody trail!" These remarks of historic significance should be entered into the annals of history.

During the fifth spring after the Shenzhen Special Economic Zone was set up, Deng Xiaoping personally stepped on the soil, which was seething with activity. He said: "The establishment of the special economic zone was proposed by me and decided by the Central Committee. So I want to see what has happened here." After several days' of on-site inspection, Deng Xiaoping felt the thriving vitality of this new thing more directly. Before leaving Shenzhen for Guangzhou, he wrote happily: "Shenzhen's development and experience has proved that our policy of establishing the special economic zones is correct."

The LIAOWANG article then comments: "At the crucial juncture, Deng Xiaoping gave the strongest support to Shenzhen and Shenzhen was no longer perturbed by various critical comments."

After that, on many occasions, Deng Xiaoping briefed visiting foreign guests about construction in the special economic zones and fully affirmed two points: First, the policy of constructing the special economic zones is correct and second, the Shenzhen Special Economic Zone is an experiment.

Eight years later, in the spring of 1992, Deng Xiaoping once again visited Shenzhen. The prosperous and vigorous modern city now proudly and wholeheartedly subjected itself to review by the decision-maker.

The old man fully affirmed Shenzhen's achievements. He said: From the very beginning, there were different opinions on the establishment of the special economic zones, and some people were worried that this might lead to capitalism. Shenzhen's achievements in its construction have given an explicit answer to them and have shown that the special economic zone bears the surname "socialism" rather than "capitalism." He also said that one should not fear the establishment of more foreign-funded enterprises.

He said: It is necessary to persistently uphold the line, principles, and policies since the Third Plenary Session of the 11th CPC Central Committee. The key lies in adhering to "one center, two basic points." Without adhering to socialism, without carrying out reform and opening up, without developing the economy, and without improving the people's livelihood, there can only be the road to ruin. The basic line should be in force for 100 years and must not be shaken.

QIUSHI Promotes Book on Deng's Talks

HK2809110492 Beijing QIUSHI in Chinese No 14,
16 Jul 92 p 33

[QIUSHI "Book News" enclosed in a boxed portion in the bottom right-hand corner of page 33 on forthcoming book entitled "Make a Thorough Study of the Theory and Practice of Building Socialism With Chinese Characteristics—Studying Comrade Deng Xiaoping's Important Talks During His Inspection of Southern China"]

[Text] In order to gain a profound understanding of and comprehensively implement the important talks made by Comrade Deng Xiaoping during his inspection of southern China at the beginning of this year, and the spirit of the plenary session of the CPC Central Committee Political Bureau, HONGQI Publishing House asked some experts, scholars, and theoretical workers from the relevant units of the central organs to jointly write a book entitled "Make a Thorough Study of the Theory and Practice of Building Socialism With Chinese Characteristics—Studying Comrade Deng Xiaoping's Important Talks Made During His Inspection in Southern China." One of the chief editors of this book is Zhai Taifeng, deputy head of the CPC Central Committee Propaganda Department.

Based on the spirit of the important talks made by Comrade Deng Xiaoping during his inspection of southern China at the beginning of this year, this book is in close touch with reality, integrates theory with practice, and studies and expounds on 34 selected topics one by one. With rich content and clearly defined topics, it has a high reference value and can be used as a reference book for party and government cadres at various levels and the broad readership in studying Comrade Deng Xiaoping's important talks.

Deng's Children in Shanghai; Daughter on Health
HK2709014592 Hong Kong TA KUNG PAO in Chinese
26 Sep 92 p 2

[Report by staff reporter Tseng Hua (2582 5478): "Deng Xiaoping's Daughter Talks About Her Father's Health"]

[Text] Shanghai, 25 Sep (TA KUNG PAO)—People in Shanghai noted that after Deng Xiaoping's son Deng Pufang recently came to Shanghai to attend the inaugural ceremony of the film "The Star of Daybreak," Deng Xiaoping's daughter Deng Lin also came to Shanghai to hold a personal painting exhibition. On the same day, the authoritative theory department in Shanghai also held a symposium entitled "Academic Symposium on Deng Xiaoping's Management Thought."

On the afternoon of 22 September, Deng Xiaoping's son Deng Pufang particularly came to Shanghai to attend the first showing ceremony of the film "The Star of Daybreak." He joined more than 500 people from various social circles in seeing the new film, which describes the lives of mentally handicapped children. At a meeting to discuss the film, Deng Pufang called for carrying forward the spirit of socialist humanitarianism, developing new-type interpersonal relations based on harmony and fraternity, and building China into a large country with a high degree of civilization and with strong vitality in the East. On the morning of the same day, accompanied by Wang Li, deputy secretary of the Shanghai Municipal CPC Committee, Deng Pufang visited the comprehensive transformation project of the Bund, and he rolled his wheelchair to move through the pedestrian tunnel sloped walk designed for handicapped people.

On the evening of 23 September, Deng Xiaoping's daughter Deng Lin told reporters that it was absolutely a coincidence that she and Deng Pufang came to Shanghai almost at the same time. She said: "I really do not know that he is also in Shanghai." Deng Lin came to Shanghai for a personal painting exhibition entitled "The Echo of Remote Antiquity." When talking with reporters about some people's comment that she was a shield for China's modern arts, Deng Lin said: "Without great democracy, China will certainly fail [wan dan 1346 5751]. China needs a unified will, and should wholeheartedly do something for the benefit of the people and thus make the people better off and make the nation powerful and prosperous. This is the ultimate end. As long as one strives for this end, whatever one does will be right. I do not want to preach, but this is absolutely my personal feeling." In response to reporters' question, Deng Lin said: "My father is in good health, and he still swam in the summer." A reporter said: "The common people in China have never been so deeply concerned about the health of a state leader." Deng Lin answered: "Yes, but I do not think that it is right to put all the stakes on a single person, because once that person passes away, there will be a strong sense of loss. I think that we should still set great store by the national interests, and all of us

should strive to make our nation affluent. Of course, the existence of that person is also an important issue, but this should not lead to a situation in which once that person is not around, all people will be at a loss. This is not good, because there is no god in the world."

On 24 September, while Deng Lin's painting exhibition was opened, a symposium on Deng Xiaoping's scientific management methodology also opened at the same time. The symposium was held by Shanghai's theoretical authoritative departments—the Shanghai Branch of the Chinese Academy of Management Science and the theoretical departments of WEN HUI BAO and JIEFANG RIBAO. On the first day of the symposium, an academic dissertation entitled "Deng Xiaoping's Management Thought and Leadership Art," held that Deng Xiaoping's management thought bears the distinct characteristic of combining grand and lofty objectives with real conditions in the policy-making process. Deng Xiaoping is good at basing the implementation of the strategy on the current practice, combining principles with flexibility, making scientific arbitrations, and linking ideological construction with institutional construction. All this represents the scientific principle of modern personnel management.

Deng's Thought To Be Adopted by 14th Congress

HK2709073692 Hong Kong TANGTAI in Chinese
No 18, 15 Sep 92 pp 8-9

[Article by Cheng Ping (6774 1627) from Beijing: "Three Major Theories To Be Presented at the 14th Party Congress—Draft Report Distributed for Discussion by Provincial, Military Cadres"]

[Text] The political report to be delivered at the 14th CPC National Congress has already been circulated down to the provincial and Army level to solicit opinions among cadres. Informed sources have disclosed that some new theories will be presented during the 14th CPC National Congress.

Deng Xiaoping Thought Is To Be Adopted

With regard to the political line, the 14th Congress will carry on the line of "one center, two basic points" as put forth by the 13th Congress. However, the four cardinal principles will be revised to change upholding Marxism-Leninism-Mao Zedong Thought to upholding Deng Xiaoping Thought.

Mao Zedong Thought was an historical product originating from the CPC's experience in violent revolution. The basic line embodied in Mao Zedong Thought is the idea that takes class struggle as the key link. Its historical role should have finished upon the founding of the CPC regime. In the new historical period of reform and opening up, the CPC needs to adopt a new ideological system to suit the needs of the time. In this regard, Deng Xiaoping has plunged the Mainland Chinese society into the tide of reform and opening up with his practice-oriented "white and black cats theory," thus opening up

a road to open door and reform, which is completely different from Mao Zedong's line that advocates "continuous revolution under the condition of dictatorship by the proletariat."

In the remarks he made during his trip to the south, Deng Xiaoping noted that the major task for the moment is to oppose leftism. The real theoretical origin of leftism lies in Mao Zedong's "theory of continuous revolution." Therefore, so long as the CPC refuses to forsake Mao Zedong Thought, some people will have the pretext to oppose the line of reform and opening up that has been adopted since the Third Plenary Session of the 11th CPC Central Committee. The adoption of Deng Xiaoping Thought will help establish Deng Xiaoping's historical position, upgrade his status as the most junior pupil among those "first generation leaders" under Mao Zedong, and make him a teacher. It will also provide an extremely important guarantee for the continuity of the Deng Xiaoping line after his death.

Presenting the Theory of Socialist Market Economy

The debate on the planned economy and the market economy has always been the focus of the debate centering around the socialist or capitalist nature of the economy. In 1986, Zhao Ziyang did try to rule out the feature of "planned and proportionate development" as a basic economic characteristic of socialism. But his attempt was opposed by Chen Yun and other leading leftist elements. Later, in the report submitted to the 13th Party Congress, an ambiguous description—taking the planned regulation as the key link and the market regulation as auxiliary—was used instead. After the 4 June incident in 1989, Deng Xiaoping, in his 9 July televised speech, mentioned the necessity of upholding the road that combines planned economy with market economy. However, on the third day when RENMIN RIBAO carried Deng's speech, the term—market economy—was changed into market regulation. This showed how important this issue was in the eyes of the conservative faction—they would never give in on this and would dare to amend Deng Xiaoping's speech to defend their view.

After the 4 June incident, Deng Xiaoping's "white cats" and "black cats" have been confined by Chen Yun's cage of "planned economy." During the three years of economic improvement and rectification, no substantial improvement was made to solve such long-standing problems facing Mainland China's economy as the serious losses being suffered by state-run enterprises, the enormous debt chain, the huge financial deficits, and poor product quality. The essence of the idea to be put forth by the 14th Party Congress on the establishment of a "socialist market economy" system is to break away from the trammels of Chen Yun's "bird cage" and to provide a theoretical basis for Mainland China's reform and opening up. This idea defining the orientation of Mainland China's economic development has gone further than what Zhao Ziyang had done in putting forth the theory on the initial stage of socialism at the 13th

Party Congress. According to this idea, not only will the role of market regulation be brought into play, but the element of market economy will also be introduced into the economic system—as well as the macroeconomic regulation and microeconomic enterprise mechanisms. This will give the green light to the Mainland Chinese economy in its way to further opening up to the outside world and to the economic marketization.

Changing State-Run Enterprises Into State-Owned Enterprises

The 14th Party Congress will also redefine "state-run enterprises" as "state-owned enterprises." Though a mere difference by one character, the change in the meaning is of tremendous significance because this implies that the CPC will recognize the complete separation between the ownership and management of the enterprise. In other words, the following changes in the economic policy will be confirmed:

First, in principle, the state will not interfere in enterprise operations any more. So long as the ownership of the enterprise's properties is clearly defined, the enterprise will act as an independent commodity producer as far as its management is concerned. From now on, the government will no longer exercise direct regulation and control over the enterprise, but the market will serve to regulate the enterprise's activities instead, and the production, supply, and marketing, as well as the economic returns of the enterprise will depend on the outcome of competition on the market.

Second, after the enterprise becomes "state-owned," it will be allowed to practice the joint-stock system as long as the value of the enterprise's properties is preserved or will appreciate. Not only are different enterprises allowed to become each other's shareholders, but the staff and workers of enterprises, or even members of the public, will also be allowed to buy stocks. What is more, foreign investors will be allowed to become shareholders of state-owned enterprises.

Third, since those enterprises will become "state-owned," the Mainland Chinese Government will set out to reduce the scale of state-monopolized economy and the number of enterprises of this nature as well. For example, commerce used to be monopolized by the state in the past, as were transport and communications, telecommunications, the power industry, and so on. From now on, investment in these sectors will be further open to foreign investors and Chinese private enterprises at home.

Fourth, from now on, the state will give up the "iron ricebowl" system that takes care of everything for the staff and workers of state-owned enterprises. The iron armchair, ironclad wages, and iron ricebowl will be broken, the staff and workers' income will be closely linked with the enterprise's performance, they will be allowed to change their jobs, enterprises suffering losses will have to declare bankruptcy and close down, plant directors will be authorized to dismiss staffers and

workers, and managers of enterprises suffering losses will be removed from their posts and will have to take the economic responsibility.

Fifth, while the old administrative division of enterprises by their geographical location is abolished, a large number of transregional enterprise groups and enterprise combines formed by public, private and other economic sectors which operate between different trades and economic structures will be emerging.

Congress 'Welcomes' Domestic, Overseas Reporters

OW2709071192 Beijing XINHUA in English
0632 GMT 27 Sep 92

[Text] Beijing, September 27 (XINHUA)—The 14th National Congress of the Chinese Communist Party (CPC), scheduled according to a proposal to start on October 12, welcomes reporters from both at home and abroad to come to cover related activities, according to sources here today.

The Information Department of the Chinese Foreign Ministry is authorized to handle applications from foreign correspondents, and the All-China Journalists Association will handle applications from reporters of Hong Kong, Macao and Taiwan.

Resident foreign correspondents in Beijing who wish to cover the congress may file their applications to the Information Department of the Foreign Ministry, and other foreign correspondents may apply through Chinese embassies and consulates in their countries. Reporters from Hong Kong, Macao and Taiwan may do so through the Hong Kong or Macao offices of the XINHUA NEWS AGENCY.

The deadline for making such applications is October 6.

Hu Jintao Slated for Political Bureau Post

OW2709234092 Tokyo KYODO in English 2324 GMT
27 Sep 92

[Text] Tokyo, Sept. 28 KYODO—The reform-minded secretary of the Chinese Communist Party's Tibet Autonomous Region, Hu Jintao, will be promoted to the Standing Committee of the Politburo at the party's 14th congress starting October 12, a major Japanese daily reported Monday.

The MAINICHI SHIMBUN said in a dispatch from Beijing quoting Chinese sources that the promotion was decided when patriarch Deng Xiaoping summoned the Standing Committee members, including General Secretary Jiang Zemin, to a meeting in Shanghai on September 19.

The promotion of the 50-year-old Hu is part of the rejuvenation of the committee, the party's highest body, the sources said.

Hu will be in charge of party organization and ideology in the six-member committee, the newspaper said.

Central Committee Plenum To Open 5 Oct

HK2709014492 Hong Kong WEN WEI PO in Chinese
26 Sep 92 p 2

[Article by staff reporter Chen Chien-ping (7115 1696 1627); "Ninth Plenary Session of the 13th CPC Central Committee to Be Held Between 5 and 9 October"]

[Text] Beijing, 25 (WEN WEI PO)—According to an authoritative source here, the political report as a programmatic document to be delivered to the 14th CPC National Congress will outline the orientation of China's future development. China's economic structure will change from the previous model of being dominated by a planned economy to a transitional model of combining the planned economy with a market economy to a new model of being dominated by the market economy. Eventually, an integrated socialist market economy will take shape.

The source said that the draft of the political report was revised four or five times, and opinions were solicited broadly for drafting the political report. The above-mentioned point will be a new point of view expressed by the political report. For this purpose, the political report will also set forth 10 major tasks around the central link of economic construction.

The source said that the political report to the 14th party congress will have three major parts, namely, a review and summing-up of reform and opening over the past 14 years, the enunciation of taking economic construction as the central task, and assessment of the international situation. Among them, the part on taking economic construction as the central task is the most important part of the report.

It is learned that the ninth plenary session of the 13th CPC Central Committee will open on 5 October and will conclude on 9 October. The 14th CPC National Congress will last about eight days. Immediately after the congress, the First Plenary Session of the 14th CPC Central Committee and the plenary session of the Central Disciplinary Inspection Commission will be held.

It is also learned that domestic and overseas reporters will be allowed to cover the 14th CPC National Congress. The congress will also set up an information center and will hold a number of news conferences and news briefings. After the first plenary session of the 14th CPC Central Committee, all members of the new Political Bureau Standing Committee will meet domestic and overseas reporters.

Li Peng Expresses 'Solicitude' Over Typhoon

OW2609133792 Beijing XINHUA in English
1310 GMT 26 Sep 92

[Text] Hangzhou, September 26 (XINHUA)—Chinese Premier Li Peng expressed deep solicitude today for the people in the typhoon-hit areas in east China's Zhejiang Province.

Li heard yesterday a report on the disaster and the efforts made to help the victims. He said he hoped that the local people would soon recover their normal production and reconstruct their homes.

The disaster caused damage to 52 counties and cities in the province. Incomplete statistics show that more than 31,700 houses collapsed, and 53 people died; over 28,200 ha of crops were destroyed, and more than 5,900 enterprises had to stop or partly stop production. The direct economic losses come to about 2.2 billion yuan.

The provincial government has set up a special fund of more than one million yuan. Besides, over 4,000 tons of relief materials have been sent to the stricken areas.

Zhu Rongji Inspects Ningxia 26-28 Aug

HK2509151292 Yinchuan NINGXIA RIBAO in Chinese
4 Sep 92 p 1

[Report by reporter Wei Hua (7614 5478): "Vice Premier Zhu Rongji Stresses the Need To Boost the Construction of Communications, Energy, and Other Infrastructure Facilities During an Inspection Tour of Ningxia"]

[Text] State Council Vice Premier Zhu Rongji led comrades in charge of relevant ministries and departments of the State Council on an observation tour of our region from 26 to 28 August. Vice Premier Zhu Rongji stressed: It is necessary to bolster the construction of infrastructure facilities and capital industries like communications and energy in order to cope with the demands of the high growth rate in the national economy.

Accompanied by Huang Huang, secretary of the autonomous regional party committee, and Bai Lichen, chairman of the autonomous regional people's government, Vice Premier Zhu Rongji and his party visited the Daba power plant, Qingtongxia aluminum plant, Yinchuan rubber plant, and Ningxia petrochemical plant over two days. Vice Premier Zhu Rongji also listened to the reports of the autonomous regional party committee and government on the economic work situation, and held a seminar with the persons in charge of the party, government, military, and Chinese People's Political Consultative Conference of the autonomous region as well as the comrades in charge of relevant bureaus and departments and of Yinchuan City. The autonomous region's bureau of coal mining and the Yinchuan railway sub-bureau also reported on the coal production and railway transport situation in our region.

Vice Premier Zhu Rongji fully affirmed the accomplishments of Yinchuan following more than a decade of reform and opening up. He said: Since the reform and opening up of Ningxia, its economy has grown fairly rapidly, while its features have undergone a very big transformation. The guideline presented by the autonomous region's party committee and government on future economic undertakings is correct, particularly its emphasis on the direction related to the development of

infrastructure facilities and capital industries. As long as this direction is resolutely upheld, Ningxia will be able to maintain a fairly high economic growth rate.

Vice Premier Zhu Rongji said: Following the talks of Comrade Xiaoping during his southern tour, the situation across the country is excellent, while the rate of economic development has grown faster. However, the infrastructure facilities could not keep up with the demands posed by the high economic growth rate, particularly in railways, highways, civil aviation, and communications, and this has already affected the development of the national economy. He went on: It now appears that if the national economy is to maintain a high growth rate, relying solely on processing industries will not do, as it is also necessary to vigorously promote tertiary industry and highlight efforts to bolster the construction of infrastructure facilities and capital industries.

In view of the outstanding problems of Ningxia, like the bottlenecks in its railway transport and stockpiling of coal, Vice Premier Zhu Rongji said: Railway and coal should be the highlight of efforts to develop infrastructure facilities and capital industries. Future investments in railways should be doubled so as to smooth the flow of traffic along several main trunklines. The Lanzhou railway bureau and the Yinchuan railway sub-bureau should concentrate their resources to tap potentials and improve efficiency, boost the rational organization and management of transport, and take steps to raise the freight volume. Once transport is upgraded, Ningxia's economy will then enter a benevolent cycle.

Our region boasts an abundant supply and extensive variety of coal deposits. Comrade Zhu Rongji said: A very important point in the coal industry is to turn losses into profits as soon as possible. The department in charge of unified distribution of coal should be resolutely determined to remove surplus personnel, engage in diverse operations, promote tertiary industry, broaden the means of production, and reduce the burdens of the coal mines. Leading cadres at all levels should, first of all, change their concepts and think about this problem thoroughly. New coal fields should embark on modernization and avoid the old method of human sea tactics [employing large numbers of people]. At present, given that the transport capacity has not been visibly improved, one should only mine the amount of coal that one can transport, or else it will be a problem once the coal is already mined.

Vice Premier Zhu Rongji stressed: Ningxia being a minority nationality region, the various ministries and departments of the State Council have the responsibility as well as obligation to extend their assistance and develop its economy.

On the morning of 27 August, Vice Premier Zhu Rongji and his party arrived at the Daba power plant, where they were warmly welcomed by the cadres and employees. The workers all surged forward to shake

hands with Comrade Zhu Rongji and extend their greetings to him. In the workshop, Zhu Rongji asked a young worker on duty: Where did you graduate? How long have you been working here? He then said to all the young workers: "Study well in order to manage a modern factory well." As Vice Premier Zhu Rongji was leaving the Daba power plant, the workers all shouted: "Goodbye, Vice Premier Zhu Rongji! Do come again!" Comrade Zhu Rongji, who had already entered the car, got out again to wave to the workers.

At the Qingtongxia aluminum plant, Vice Premier Zhu was very happy to see the production of a new type of aluminum and said: "Those outside still do not know that you are capable of producing such products and they are still importing. You should publicize this well." At the Yinchuan rubber plant, Vice Premier Zhu raised detailed questions about the factory's exports: "Are you losing money?" "Is there any foreign currency retention? How much is turned over?" At the garden-like Ningxia petrochemical plant, Vice Premier Zhu and his party visited the compound workshop, water supply room, and urea workshop. He also inquired about the sources and prices of raw materials for the workshops, as well as about profits, loan repayment, and other topics.

Accompanying Vice Premier Zhu Rongji in this inspection tour of our region were: Wang Zhongyu [3769 1813 4416], deputy director of the Economic and Trade Office of the State Council; Tu Yourui, deputy secretary of the Ministry of Railways; Han Ying [7281 5391], deputy general manager of the China Unified Distributed Coal Company; and others.

Qiao Shi Addresses Social Order Control Meeting

*OW2609032192 Beijing XINHUA Domestic Service
in Chinese 0854 GMT 25 Sep 92*

[By RENMIN RIBAO reporter Su Ning (5685 1337) and XINHUA reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 25 Sep (XINHUA)—The Central Commission for Comprehensive Control of Social Order today held its seventh plenary session at the Great Hall of the People to discuss further measures to crack down on the abduction of women and children and to prohibit prostitution and the visiting of prostitutes. Qiao Shi, member of the Political Bureau Standing Committee of the CPC Central Committee and chairman of the Central Commission for Comprehensive Control of Social Order, presided over and gave an important speech at the meeting.

Qiao Shi said: The party and government have always attached great importance to the work of cracking down on the abduction of women and children and on prohibiting prostitution and the visiting of prostitutes. In just a few years, considerable results have been achieved, with more noticeable results in some localities. Nevertheless, when viewing the general situation in the country,

instances of abduction of women and children, prostitution, and the visiting of prostitutes continue to increase. These problems are quite serious in some localities.

Qiao Shi said: The abduction of women and children, prostitution, and the visiting of prostitutes seriously disturb social order and poison the social atmosphere. We must attach adequate importance to these problems and remain determined to take resolute and effective measures to deal with them. To resolve these problems, we should take comprehensive measures: All relevant departments should conscientiously do their share and, in the light of their work and special conditions, implement effective measures to ensure the success of this work. Efforts should be focused on areas and sectors with serious problems. Heavy blows should especially be dealt to black-society-type crime rings that abduct, transfer, and sell women and children, as well as to gangs that organize, abduct, or house women for prostitution or introduce women to prostitution. Every ring and gang discovered must be wiped out and their leaders dealt with sternly. At the same time, we should implement other measures, such as promoting education, refining relevant systems, and tightening control, and make unremitting efforts to preserve the results achieved.

Qiao Shi stressed: Party committees and governments at all levels should attach adequate importance to taking comprehensive steps to crack down on the abduction of women and children and to prohibit prostitution and the visiting of prostitutes, and they should strengthen their leadership over this work. Some comrades contend that, in an effort to implement the policy of reform, opening up, and the development of the economy, we have to tolerate the existence of some sex-related businesses. This is completely wrong. To broaden the scope of opening up, to attract foreign funds, and to introduce modern technology and management experiences from foreign countries, we should rely on providing high-quality services and creating favorable conditions and a good environment to help develop our productive forces, and we must not rely on encouraging filth. Responsible comrades from party committees and governments at all levels should support public security, procuratorial, and judicial departments in strictly enforcing laws and cracking down on crime. They should organize and motivate all departments concerned, coordinate the efforts of all sectors, and mobilize the masses to struggle against social evils.

Qiao Shi said: The party's 14th congress will be held soon. We must do a good job in all areas, preserve political and social stability, and maintain a good social order to create a social atmosphere conducive to the convening of the 14th party congress.

Shu Huaide, deputy secretary general of the Central Political and Legal Commission and member of the Central Commission for Comprehensive Control of Social Order, gave a report on the implementation of the guidelines drafted at the national conference on the struggle against theft. On behalf of the All-China

Women's Federation and the Ministry of Public Security, Vice Minister of Public Security Bai Jingfu gave a report on cracking down on the abduction of women and children, prostitution, and the visiting of prostitutes, and he presented his opinions on carrying out upcoming work. Members attending the meeting discussed problems linked to clamping down on the abduction of women and children, prostitution, and the visiting of prostitutes.

Also attending the meeting were Ren Jianxin and Wang Fang, both deputy chairmen of the Central Commission for Comprehensive Control of Social Order, and members and representatives of member units of the commission.

Supreme Court on Severely Punishing Smugglers

OW2609115992 Beijing XINHUA Domestic Service
in Chinese 0940 GMT 25 Sep 92

[Text] Beijing, 25 Sep (XINHUA)—The Supreme People's Court today issued a circular urging people's courts at all levels to deal smuggling activities a crushing blow.

The circular says: Smuggling is now running wild, involving a widening range of activities and a greater value in goods as the number of major cases rises. Smuggling is not only rampant through sea and land routes, but is gradually infiltrating inland waterways and often going airborne. Smuggling activities have not only inflicted heavy financial losses on the state by their serious impact on our national industrial development and normal foreign trade, but have also seriously corrupted social values and damaged our national image.

The circular urges cadres and security personnel of people's courts at all levels to fully recognize the seriousness and harmfulness of smuggling and to continue implementing the policy of meting out severe punishment to smugglers. All individuals, enterprises or institutions found to have been smuggling should be investigated and take responsibility for their criminal activities in strict accordance with the penal code and the National People's Congress Standing Committee's "Supplementary Provisions for Punishing the Crime of Smuggling." Criminals who deserve severe punishment under the law should be dealt with accordingly. It is necessary to pay attention to appropriately applying financial punishments, such as fines and property confiscation, in an effort to punish criminals severely in financial terms. Law enforcers should acquire an early understanding of smuggling cases—especially the major ones—uncovered in their localities and organize the necessary personnel for a prompt trial once the cases are brought to court.

Beijing To Implement Copyright Treaty

OW2809132492 Beijing XINHUA Domestic Service
in Chinese 1150 GMT 28 Sep 92

[Text] Beijing, 28 Sep (XINHUA)—State Council Decree No. 105:

The Provisions for the Implementation of International Copyright Treaties are hereby promulgated. They will take effect as of 30 September 1992.

[Signed] Premier Li Peng

[Dated] 25 September 1992

Central Advisory Commission's Hu Qiaomu Dies

OW2809105392 Beijing XINHUA in English
1013 GMT 28 Sep 92

[Text] Beijing, September 28 (XINHUA)—Veteran proletarian revolutionary and Marxist theorist Hu Qiaomu died of illness at the age of 81 here today.

The obituary issued by the Central Committee of the Communist Party of China (CPC) and the CPC Central Advisory Commission said Hu Qiaomu was a long-tested and loyal communist fighter, proletarian revolutionary, outstanding Marxist theorist, political commentator, social scientist, and an outstanding leader in China's ideological, theoretical, cultural and propaganda fields.

It said that Hu died at 7:16 a.m. (Beijing time) on September 28, 1992.

He was a member of the Standing Committee of the CPC Central Advisory Commission, deputy director of the leading group in party history research work and honorary president of the Chinese Academy of Social Sciences.

NPC Standing Committee Member Wu Zhonghua Dies

OW2609073592 Beijing XINHUA Domestic Service
in Chinese 1344 GMT 25 Sep 92

[Excerpts] Beijing, 25 Sep (XINHUA)—Comrade Wu Zhonghua, a well-known scientist and the founder of China's thermal physics, died of cancer in Beijing on 19 September at the age of 76. [passage omitted]

Comrade Wu Zhonghua became a member of the CPC in 1980. He was a member of the Third National Committee of the Chinese People's Political Consultative Conference and a member of the Sixth and Seventh Standing Committees of the National People's Congress. [passage omitted]

Tiananmen 'Air of Frivolity' Before National Day

HK2809045992 Hong Kong SOUTH CHINA
MORNING POST in English 28 Sep 92 p 11

[Report by Geoffrey Crothall in Beijing]

[Text] Tiananmen Square was transformed into a giant amusement park yesterday in preparation for Thursday's [1 Oct] National Day celebrations. Thousands of Beijing residents and tourists from the provinces flooded into the square to marvel at the newly installed fountains, flower gardens, and artificial lakes and mountains.

"Wow! Take a look at that," a teenage girl exclaimed as a five-metre high foundation, the centre piece of display, burst into life. Most of the onlookers seemed to approve of the palm trees and artificial lakes which stood in marked contrast to the uninspiring, regimented displays of previous years.

The centre piece of last year's display was a giant flower arrangement proclaiming "socialism is good". This year, it has been replaced by a display welcoming the Olympic Games to Beijing in the year 2000. "This is much more fun than last year," a middle-aged woman said as she photographed her family in front of the fountain.

Despite the general air of frivolity, the notices put up in the square prior to the third anniversary of the June 4 massacre, which forbid joking and smiling, were still in place yesterday. Security guards, however, did not enforce the regulation.

The Government could not completely abandon politics, installing two huge flower arrangements in front of the Monument to the People's Heroes exhorting the people of Beijing to "Welcome the triumphant convocation of the 14th Party Congress" and "Uphold the party's basic line for 100 years without deviation".

The two slogans flanked a huge portrait of the founding father of the Chinese republic in 1911, Dr Sun Yat-sen, who for the past few years has been the only historical figure to have his portrait displayed in the square during the National Day celebrations.

The actual celebrations for National Day are expected to be relatively low-key with senior government leaders holding receptions but no grand parades or firework displays. Instead, the Government has chosen to celebrate October 1 by completely renovating Beijing's second ring road, transforming it into a motorway with more than 20 flyovers, in less than six months.

City planners say the new motorway will allow drivers to get from one end of the city centre to the other in about 12 minutes. The ring road officially reopened last Friday but traffic appears to be just as slow moving as it was before the renovations. Shanghai also got on the road-works bandwagon by renovating its famous water front Bund just in time for National Day.

The Bund now features a new bridge over Suzhou Creek and a 10-lane highway which will eventually link up with the new Nanpu suspension bridge to the south.

Wang Meng Cited on Essence of Literature

OW2609075192 Nanjing XINHUA RIBAO in Chinese
19 Sep 92 p 3

[Interview with former Culture Minister Wang Meng by Huang Shaoyun (7806 1421 0061) in Beijing: "Interviewing Wang Meng Underneath a Pomegranate Tree"; date not given]

[Text] Three fruit trees stand in Mr. Wang Meng's courtyard. One is a jujube tree, another is a persimmon tree, and a third is a pomegranate tree. The sight of pomegranate trees in Beijing was heartwarming enough. Even more pleasing was the sight of Mr. Wang Meng and his wife, Madam Fang Rui, seated underneath a pomegranate tree.

Underneath the bright red pomegranate tree were a rectangular stone table and some chairs and stools that had been arranged hastily. A smiling Mr. Wang Meng shook hands with each of us. Wearing a pair of tinted glasses, he looked gaunt but affable. Madam Fang Rui, in a white-and-blue dress, was graceful and amiable. She spoke softly, showing tranquillity and calmness. Her novels appear frequently in newspapers and publications. She and her secretary, Zhang Luo, served watermelon, mung bean cakes, and other fruits and desserts.

Five members of our eight-member delegation came from Xinjiang. Mr. Wang Meng spent 10 years or so in Xinjiang, a period known as his "life in Xinjiang." His collection of novelettes and short stories, entitled *Light Gray Eyes—in Ili*, record this ordinary segment of his life during an extraordinary period. Our conversation naturally revolved around "Ili, Xinjiang." Everything from that period now appeared amusing and inconsequential. Mr. Xiao quipped: Mr. Wang Meng even headed a production team in a people's commune in Ili County.

A woman from Yangzhou, Jiangsu and I could only listen quietly because the conversation continued to revolve around Xinjiang and Ili County. Mixing humor with merry laughter, Mr. Wang Meng suddenly changed the topic of conversation and turned his eyes toward us. He said: Aren't there Jiangsu natives among you? Are you from Nantong? I have many acquaintances from Nantong, but I have never been there. What a shame! Isn't Nantong beautiful? Yangzhou is a nice place. It is the most charming in March. I came back from a trip there in April. How does the Sanding steamed bun of Yangzhou compare with Tianjin's "Goubuli"? Do you say that "Goubuli" is not good? Count yourself lucky that there is no Tianjin native around. Otherwise, he will have an argument with you. His remarks drew a burst of laughter.

Later, the conversation turned to literature, with Mr. Wang Meng discussing his principal works in recent years. One of these works is entitled *A Message on the Red Chamber*, which consists of notes on his study of the classic *The Dream of the Red Chamber*. Another is *The Season of Love*, a novel that is due to come off the press in the near future. Mr. Wang Meng observed self-deprecatingly that he had written *The Season of Love* in his old age. Madam Fang Rui smiled graciously. I finally came upon *A Message on the Red Chamber* at a book fair, after unsuccessfully scouring every bookstore in Beijing. People lined up at the counter to buy this book, forming a long queue that resembled a string of Xinjiang grapes.

Later, I handed Mr. Wang Meng a notebook and asked him to write an inscription. After smiling for a while, he wrote:

"Literary charm is essentially a kind of youthful energy.

"The future of literature lies with the younger generation."

Not wanting to miss an excellent opportunity to discuss literature underneath the pomegranate tree, I broached three questions just as the conversation began to revert to Xinjiang and Ili. Mr. Wang Meng laughed, shook his head, and said: "You are asking something that is bigger than the sky and the earth."

I laughed but doggedly pressed for a reply.

What is the essence of literature?

It is the understanding and analysis of human souls.

What basic qualities do you think a famous author should possess?

Unique language, fertile imagination, and an insightful outlook on life. The last one is the most important. After all, an author gains creative inspiration from his own life. Proust, currently a popular author in China, "remained about his uneventful years" in bed throughout his life. He was a very unique and creative writer.

What are your comments on the contemporary literary world?

People are constantly changing their thoughts and aesthetic concepts in this era of reform and openness. Although it has provided new opportunities for literary production, the commercialization of markets has generated a new set of questions and posed a new challenge to writers. The rise of many gifted young writers is cause for joy. The future of Chinese literature lies with the younger generation.

The hour-long visit ended amid laughter and the fragrance of pomegranate flowers.

QIUSHI on Increasing National Cohesiveness

HK2509083692 Beijing QIUSHI in Chinese No 12,
16 Jun 92 pp 20-23

[Article by Yang Yingbin (2799 2091 1755): "Brief Discussion on Increasing Chinese Nation's Cohesiveness"]

[Text] The Chinese nation is a unified and multi-national social community. The interaction and assimilation between various nationalities in the country over several thousands of years has resulted in a nation of unified plurality, which means that the 56 nationalities constituting the Chinese nation are unified within one country. Why has the Chinese nation ended up closely united and unified despite great sufferings from domestic chaos and foreign invasions in its history? Why does it become stronger and more united in its fight against attempts by imperialist powers from east and

west to invade, separate, and dismember the nation? It is all because of the great cohesiveness of the nation.

The cohesiveness of the Chinese nation embodies the common ideologies and sense of values formed during the long course of interaction and assimilation between all nationalities, and is the great spiritual force in uniting, maintaining, and supporting the survival and development of the nation. It has been accumulated and precipitated after a long course in which people of all nationalities in the country have fought for survival, multiplied, and created a splendid and rich material and spiritual civilization. It is rooted in the outstanding and rich traditional culture and the great national spirit of the nation, qualities embodying the nation's fine virtues, lofty styles and great ambitions. For example, the patriotic sentiment that "every man has a share of responsibility for the fate of his country"; the national character of constantly striving to improve and exert oneself; the national integrity of "dying for a just cause"; the lofty ambition of "worrying before and enjoying after the world does"; the noble morality that "dying for the interests of the people is heavier than Mount Tai"; tolerance, generosity and the bearing of great world harmony; the national style of independence, industriousness, simplicity, and earnestly practicing what one advocates; etc. The cream of traditional Chinese national ideologies are the spiritual forces nurturing the nation to last forever and are the root causes of the long-lasting development of the Chinese nation's cohesiveness. While inherent and intrinsic, the nation's cohesiveness moves and develops as well. It has assumed different contents and characteristics in different historical periods. With a strong ability to inherit things, it has a distinct characteristic of the times. The cohesiveness of the nation was in the past exemplified as the social material and spiritual civilizations created by all nationalities with the Han nationality as the main part. Since the founding of the CPC, the ideologies and standpoints of the party have become the core of the cohesiveness of the Chinese nation. During the period of the new democratic revolution, the cohesiveness of the Chinese nation embodied itself as a social revolutionary movement led by the proletarian class and a national vitalization spirit with the proletarian world outlook as the center. After the founding of the PRC, and particularly since the Third Plenary Session of the 11th CPC Central Committee, the development of the cohesiveness of the Chinese nation has entered a new historical period. The aim of building a highly democratic and civilized socialist modern country has become the core content of the cohesiveness of the Chinese nation in the new historical period. Only such a magnificent goal would attract the people of the whole country, Overseas Chinese, and compatriots from Hong Kong and Macao to the fullest extent. A prosperous and strong China is the ideal which the sons and daughters of the Chinese nation yearn for day and night.

Enhancing national cohesiveness has far-reaching significance to the future of the nation and is an urgent subject

of the times. In the previous period, our propaganda work was inadequate on the inherent relationship between national culture, spirit, and cohesiveness. Even less research and propaganda was done on how to stimulate the national spirit so as to enhance the cohesiveness of the Chinese nation and vitalize China. There was also the influence of erroneous ideological trends over research in traditional culture. In particular, during the "Great Cultural Revolution," the historic cultural tradition of the nation was fundamentally repudiated, resulting in many people being ignorant of national culture and history today. Since reform and opening up, we have started contact with the outside world and have seen an enormous gap between China and developed countries in terms of material civilization. Thus, some youngsters, who have had no nurturing on national culture and education in the nation's painful history of struggle, tend to believe that everything in the West is good. Influenced by the ideological trend of bourgeois liberalism and misled by the erroneous orientation of historical and national nihilism, quite a number of youngsters believe in no national spirit, consciousness, or dignity. The will, integrity, and spirit of the nation are, in fact, lost on them. Therefore, we should have a practical sense of urgency; study the problem with an active consciousness of national suffering; greatly carry out education to enhance national confidence, pride and cohesiveness; and actively propagate the subject.

Enhancing the nation's cohesiveness will help greatly in pushing forward the building of material civilization and socialist spiritual civilization. The building of the two civilizations is the basic condition for the realization of national unification, unity, and vitalization of China. It is also an important basis on which China faces the future to stand up in the world of nations. To succeed in the building of the two civilizations, we must arouse the wisdom and power of the whole nation, inspire national spirit, enhance national confidence and pride, and pool the wisdom and power of the whole nation. National cohesiveness will certainly be greatly strengthened during the process. Turning into the centripetal force of the whole nation and rising up to rational knowledge, the nation's enhanced cohesiveness will command and appeal to the masses and will transform itself into a great material force unifying the nation and vitalizing China.

Enhancing the nation's cohesiveness is also a firm foundation and spiritual link in uniting tens of millions of Overseas Chinese and compatriots from Taiwan, Hong Kong, and Macao. Safeguarding national unification and unity and opposing separation has always been the inherent requirement of national cohesiveness. One of the urgent problems we face today is the man-made blockage and separation across the Taiwan Strait. It is a misfortune of history and of our nation! However, we always believe that it is only a short and temporary chapter in history. It should be noted that vast numbers of people on both sides of the Strait oppose separation and uphold the belief that "there is only one China." Recently, a handful of people in Taiwan have openly

advocated "Taiwan independence" and have attempted to set up the so-called "Republic of Taiwan." They are opposed by all Chinese people, including Taiwanese compatriots and the authorities on the island. We are firm in the belief that reconciliation and unification between the two sides across the strait is an inevitability of history and the invincible cohesiveness of the Chinese nation.

While struggling for survival and development, all nations in the world are presently undergoing an important historic period, and, without exception, all face grave challenges. National cohesiveness has become one of the key factors in determining the comprehensive power of a nation. Under the circumstance, it is an important mission for the whole party and the people of the whole country to further strengthen the national consciousness of the Chinese nation, develop the nation's great spirit, and enhance its cohesiveness. Only by doing so can we mobilize and concentrate all forces that can be united and utilized to create a favorable social environment for the great cause of vitalizing China. Otherwise, by weakening the cohesiveness of the nation and paying no attention to its enhancement, there will be no hope and light for the future of our country and nation.

Enhancing the cohesiveness of the Chinese nation is more a subject of social practice than an academic pursuit. Apart from paying great attention to the problem ideologically, we should do a great deal of painful and detailed work.

First, uphold reform and opening up and do a fine job in socialist economic building. To build a prosperous and strong New China has been a long-cherished wish of the Chinese people both inside the country and overseas for generations. Many Overseas Chinese put it remarkably well: "with China becoming stronger, Chinese residing overseas will have less shame and more honor and cohesiveness will be greater." To achieve this, we must be persistent in furthering reform and opening up. The great achievements of reform and opening up have proved that the lines and policies adopted after the Third Plenary Session of the 11th CPC Central Committee are correct and have sincere support from people of the whole country and everyone who wishes for the Chinese nation to proper and develop. Practice has also proven that there is no way out without reform and only through reform can we build modern socialism with Chinese characteristics. This is the common understanding of all people in China. Any deviation from the direction of socialist modernization and taking economic building as the center will cause disunity and weaken the cohesiveness of the Chinese nation.

Second, to enhance national cohesiveness, we must do a fine job in party building and strengthen the cohesiveness of the party itself. While we advocate enhancing the cohesiveness of the Chinese nation, there is a basic precondition: that is, first of all, reliance on the correct leadership of the CPC and the implementation of the

basic line of "one center, two basic points." This requires the CPC to constantly enhance its own cohesiveness before it can become the core in cohering the wisdom and power of the whole nation. Of course, the CPC must constantly perfect itself and be persistent in implementing the correct line, and carry out constant and effective rectification of party style, including punishing corruption before it can play the core role. Grasping this fundamental issue well will help rationalize relations, and the above-mentioned precondition will be understood by Overseas Chinese, particularly compatriots from Taiwan, Hong Kong, and Macao. In the past two years, some major events both at home and abroad proved the importance of the problem both positively and negatively. The root cause of the rapid change of the social system in some socialist countries is found in the ruling parties themselves. Historical lessons have taught us that the cohesiveness of the ruling party, the socialist system itself, and the national alliance between nation and state is the vital issue which relates to social stability and the future and fate of the state and nation.

Third, pay great attention to the building of national culture, develop a fine traditional culture, and create an atmosphere in which the whole society pays attention to the building of national culture. We should do a fine job in many aspects, such as paying attention to the building of cultural facilities, including exhibitions of historical relics, museums, and libraries. Historical relics and museums are important national legacies and spiritual wealth, and the extensiveness and number of books collected in libraries are an important mark in measuring the cultural level of the people. Where the building of tourist culture is concerned, attention should be paid to bringing into play the role of historical relics and cultural legacies and blending education on national history and culture with tourist sightseeing. Attention should be paid to developing fine traditional music, national dance, folk arts, and local operas and using them to enrich cultural activities in festivals. In the building of towns and townships, we should encourage the preservation of nationally distinctive buildings and inherit and develop national style and integrity in architecture. We should develop traditional Chinese medicine and support the healthy development of national sports, including Chinese martial arts. We should also pay attention to studying and promoting the nations rich cultures of cuisine and clothing. In short, if we pay attention to the building of national culture in every stratum of the society, new light will certainly be brought to the nation's culture so as to enhance the centripetal force and cohesiveness of the Chinese nation.

Forth, actively do a fine job in the affairs of Overseas Chinese and compatriots from Taiwan, Hong Kong, and Macao. As part of the Chinese nation who emigrated abroad, Chinese residing overseas contribute not only to countries where they stay, but also to the struggles against imperialism and feudalism and the construction cause in their home country. Like the vast numbers of compatriots from Taiwan, Hong Kong and Macao, they

almost all have a deep love for their countrymen, native country, and nationality, and a sincere wish for the prosperity of the motherland. In order to unite them, we must start from ourselves. If we can build the country well and let them see the bright future of the nation and feel the warmth of the great family of nationalities, their centripetal force toward the motherland will be enhanced. While continuing contacts with old friends and making new friends, we should pay attention to doing a good job on the affairs of new immigrants and new Overseas Chinese. We should show more concern to their welfare overseas and should not forget any of them when we go abroad to carry out work and invite Overseas Chinese to China for friendship. Warm support should be given to "compatriots from the three places [Taiwan, Hong Kong and Macao]" and Overseas Chinese who return to China to probe their ancestral roots. We should use all opportunities available to educate and nurture "compatriots from the three places" on national history and culture. We should earnestly step up efforts to administer and manage well public facilities built with money invested by them in their home towns, and bring their proper social benefits into play. We can also turn them into bases for initiating and stepping up contacts overseas and make great efforts to publicize stories and achievements in which they have bought benefits to their native places. While protecting the legitimate rights and interests of investments by "compatriots from the three places" and Overseas Chinese, we should give them appropriate honors. Through these activities and work, we will step up patriotic education to the younger generation of Overseas Chinese to let them really understand the past, present, and future of the motherland and know the history, geography, and language of China and raise their national pride and sense of honor of being Chinese to enhance the cohesiveness of the motherland.

Fifth, we must overcome the negative factors which weaken the cohesiveness of the Chinese nation, and resolutely oppose national separatism, nihilism, chauvinism, and self-containment and isolationism. National separatism is a negative trend seeking to disintegrate and separate the country and nation from within. Only when united can the Chinese nation be prosperous and strong and stand up in the world of nations. The fatal damage of separatism is the weakening of national survival power and an attempt to cause the nation and country to disintegrate. In this sense, our yardstick in determining whether the words and actions of a person or a group are progressive or reactionary is to see if he or she or the group is for the unification of the nation and the country. Whoever engages in separating the nation and destroying and blocking national unification will stand forever condemned.

National nihilism views every aspects of the nation from the standpoint of nihilism. Under the influence of western ideology and values, those engaged in nihilism totally repudiate traditional culture, yearn for capitalism, and advocate total westernization. By worshiping and having blind faith in things foreign, they have

lost their national dignity and integrity. Every nation has its own good points and all should try to absorb the strong qualities of other nations and turn them to their own advantages. By doing so, a nation can maintain lasting vitality. But national nihilism turns a blind eye to the characteristic and strong points of our nation and repudiates everything Chinese, thus weakening the will of our nation and aggravating the sense of national inferiority in some people. Therefore, criticizing national nihilism is not merely a cultural issue but a serious political one which concerns the prosperity and dignity of the country. Criticizing national nihilism has far-reaching significance to enhancing national cohesiveness.

National chauvinism means big-nationality chauvinism and local-nationality chauvinism in terms of dealing with relations between nationalities. It is a negative trend which weakens national cohesiveness, loosens national unity, and disintegrates national power. The constitution of the country unequivocally stipulates that the PRC is a unified multinational country founded by the people of all nationalities in the country. It affirms the socialist relationship of equality, unity, and mutual assistance between all nationalities. In order to further enhance the cohesiveness of the Chinese nation, we must continue to eliminate the ideologies of big-nationality chauvinism and local-nationality chauvinism, and, in particular, overcome the ideology of the big-Han nationality. Local-nationality chauvinism is not conducive to national unity and is prone to be used by hostile foreign powers to separate the country and nation, and, therefore, we must resolutely oppose it.

While the cohesiveness of a nation is determined by the effort it spends in promoting and developing the nation's fine traditions and spirit, it is also determined by whether the nation is able to follow the pace of the times and stands at the forefront of world advancement. Any nation of parochial arrogance which closes itself to international intercourse and takes no trouble to enrich and develop itself by absorbing the achievements of mankind's civilization will inevitably be eliminated by history. Self-containment and conservatism have deep influence in China, and rejected not only advanced cultures and science and technologies but also the utter innocence of vast numbers of patriotic Overseas Chinese compatriots. This is not conducive to national advancement and unity. A nation of self-containment which sticks to old rules will not be attractive either. Therefore, we must overcome the trend of self-containment in reform and opening up.

As proved by practice, conscientiously winning the hearts of the people with natural feelings of nationality and inspiring people with national struggle goals will be conducive to creating a stable, united, and harmonious social environment for the development of the country and the nation and providing a spiritual force in which millions of people fight with one heart and mind and help each other for the development of the nation and country. With the take-off of China's economy, the

Chinese nation will play an even more important role on the world stage. Enhancing the cohesiveness of the Chinese nation so as to promote national unity, realize national unification, and vitalize China is the inevitability of the development of history and a glorious mission bestowed upon us by history. Let us make efforts together and welcome the bright future!

Science & Technology

Pace of Technology Imports Increases

*OW2509114792 Beijing XINHUA in English
1044 GMT 25 Sep 92*

[Text] Beijing, September 25 (XINHUA)—China has already out-stripped the value of last year's imported technology and equipment and a number of contracts have exceeded 100 million U.S. dollars, according to the Ministry of Foreign Economic Relations and Trade.

A ministry official said that approved technology import contracts were worth 4.45 billion U.S. dollars in the first half of this year, topping the total for last year.

Imported technology projects which exceeded 100 million U.S. dollars each include the arch dam project of the Ertan hydroelectric power station in Sichuan, the technology transfer and equipment for the ethylene project in Guangzhou, the terephthalic acid production devices of the Liaoyang Petrochemical Company, the equipment for manufacturing large integrated circuits for the capital iron and steel complex in Beijing, and the synthetic ammonia production devices of the Weihe chemical works in Shaanxi Province. There are also a number of contracts whose value has topped 50 million U.S. dollars.

From the beginning of April to the end of July, the Ministry of Foreign Economic Relations and Trade organized 50 purchasing groups to Belgium, Luxembourg, Switzerland, Australia, Germany, the Netherlands, Denmark, Italy, Greece, Portugal, Spain, Ireland and Britain to see what they could buy. Statistics collected showed that the groups purchased goods worth two billion U.S. dollars, including rolled steel, chemical fertilizer, airplane, chemical raw materials, and textile raw materials as well as equipment and key technology for telephone exchanges, chemical fibers, water supply, metallurgy, coal mining and technology.

With the implementation of the eighth five-year plan and the ten-year development program, China will need even more advanced equipment and technology offering foreign enterprises increased access to the Chinese market.

China has enough foreign exchange in cash to pay for the technology and equipment, an authoritative source said.

Zhu Lilan Details Science, Technology Initiative

*OW2509135692 Beijing XINHUA in English
1334 GMT 25 Sep 92*

[Text] Washington, September 24 (XINHUA)—China is following a three-tier strategy of science and technology development, which is expected to play a bigger role in its economic growth, a senior Chinese official said at a meeting in San Francisco today.

Speaking during a panel discussion at the general meeting of the Pacific Economic Cooperation Council (PECC), professor Zhu Lilan, vice-minister of China's State Science and Technology Commission, outlined China's eighth five-year science and technology initiative.

Zhu said that in a world full of opportunities and challenges, China has to rely on science if it wants to catch up with the developed nations in economic development.

China started reforms in 1985 on its science and technology management system so as to make scientific research directly serve the national development objectives, she remarked.

She explained that, under "a three-tier science and technology service and development strategy," China has mobilized most of its S&T capabilities and resources to directly serve the country's economic construction, while a modest amount of its S&T capabilities and resources are being employed to follow the world's high technology development trends and develop its own.

A small but strong contingent of the country's most creative and innovative scientific and technological personnel are deployed to work on the frontiers of basic research, she noted.

She also said that in the decade from 1991 to 2000, China plans to gradually increase national investment in its science and technology development from 0.72 percent to no lower than 1.5 percent of the GNP and that by the year 2000, science and technology is expected to contribute up to 50 percent of the country's economic growth as compared with the present level of 30 percent.

The Chinese official told the participants that the development of Chinese economy, heavily supported by science and technology, will provide "more investment opportunities at the domestic market, enhanced purchasing power for foreign products, and wider cooperative areas and stronger technology links" with the outside world.

Participating in the three-day PECC general meeting are about 500 senior government, business and academic leaders from 20 nations and regions around the Pacific Rim.

The Pacific Economic Cooperation Council was established in 1980 to promote discussion at the highest level on economic, trade and investment issues.

Chinese Academy To Accept Taiwanese Members

*OW1909091992 Beijing XINHUA in English
0849 GMT 19 Sep 92*

[Text] Beijing, September 19 (XINHUA)—The State Council has recently approved the constitution of the Chinese Academy of Sciences (CAS), making it possible for top scientists from Taiwan, Hong Kong, Macao and overseas to be elected to academy membership.

Internationally-known foreign scientists who have made important contributions to China's scientific and technological development can also be recommended and elected to membership in CAS.

According to the newly-approved constitution, foreign members have the right to be invited to participate in academy meetings, give talks and make proposals and seek publications from CAS.

Membership in CAS is China's highest academic title awarded by the state to scientists.

Membership is also for life, but according to the constitution, an academician could lose his membership if he does something harmful to the interest of the state or the reputation of the academy.

Aviation Science Convention Opens in Beijing

*OW2209140692 Beijing Central Television Program
One Network in Mandarin 1100 GMT 21 Sep 92*

[From the "National News Hookup" program]

[Text] The 18th International Convention on Aviation Science [ICAS] opened in Beijing today. This is the first time the International Aviation Science Council had held a convention of this scale in a developing country in more than 40 years.

More than 400 aviation experts and scholars from over 30 countries, including the United States, Britain, and Germany, are attending the conference. The purpose of the convention is to promote the flow of significant information and encourage exchanges on significant issues in the field of aviation science and technology, as well as to provide an international forum for the industry. This meeting will also carry out exchanges on the latest achievements in the fields of structural safety and reliability, application of reused materials, turbo engines, as well as aviation production management.

Jiang Zemin and Li Peng wrote inscriptions for the convention. [video closes with closeups of inscriptions by Jiang Zemin and Li Peng. Jiang's inscription, written 15 September, reads: Step Up Contacts To Promote Cooperation and Prosperity in Aviation. Li's inscription, written 28 August, reads: Strengthen International Academic Exchanges To Promote the Development of Aviation Science and Technology]

Journal Renamed; Song Jian Praises Role

*OW2709103692 Beijing XINHUA Domestic Service
in Chinese 0548 GMT 26 Sep 92*

[Text] Beijing, 26 September (XINHUA)—With the approval of the State Science and Technology Commission, KEJI FAZHAN YU GAIGE [SCIENCE-TECHNOLOGY DEVELOPMENT AND REFORM], China's first comprehensive science and technology monthly, was recently renamed KEJI CHAO [4430 2111 3390 TIDES OF SCIENCE AND TECHNOLOGY].

KEJI FAZHAN YU GAIGE started publication at the beginning of 1989. A periodical on policy elaboration, current affairs, knowledge, and information, it was rated one of Beijing's best periodicals for the past several years. State Councillor Song Jian spoke highly of this monthly, saying it had done a tremendous amount of work in elevating the nation's awareness of technology and science, spreading and interpreting science-technology policies, and disseminating science-technology knowledge.

After changing its name to KEJI CHAO, the magazine will continue to pursue its original goal and work harder to become more contemporary and society-oriented to attract more readers.

Economic & Agricultural**Planning Commission Announces Change in Functions**

*OW2609093492 Beijing XINHUA Domestic Service
in Chinese 0807 GMT 25 Sep 92*

[By reporter Xu Yaozhong (1776 5069 0022)]

[Text] Beijing, 25 Sep (XINHUA)—To meet the needs of expanding reform and opening up and speeding up economic development, an official in charge of the State Planning Commission [SPC] announced the other day that the SPC will, standing at the forefront of reform, actively explore new ideas in planning work; thoroughly change the previous planned management system, which was highly centralized and operated through the issuance of administrative orders; and set up a new macroeconomic management system that is able to meet the needs of developing a socialist market economy.

To set up a new macroeconomic management system that can correctly reflect and efficiently guide the market, the SPC will effect major functional changes in the following eight aspects:

—Changing functions from mainly managing microeconomic activities, setting targets, assigning investments, approving projects, and distributing materials to concentrating on developing and formulating general strategy, major principles, and policies for economic development;

—Changing functions from direct management mainly through administrative means to indirect management mainly through economic policies, economic levers, and economic laws and regulations;

—Shifting its main attention from managing the economic activities of enterprises owned by the whole people to guiding and regulating, and controlling economic activities throughout society;

—Shifting the focus of planned management from distributing materials and assigning production targets to value management and planned management centering on policy formulation and forecasting;

—Changing its functions from mainly managing industrial production and construction to guiding, regulating, and controlling the whole process of production, distribution, circulation, and consumption, especially setting great store by agriculture and guiding the development of tertiary industry;

—Changing the previous practice of stressing the management of supply and neglecting market demand to paying more attention to studying market changes and regulating social demand, and making a particularly great effort to open and broaden markets and build up a market system;

—Changing the previous practice of overly stressing keeping a static balance in domestic economic activities and resource distribution; making active use of domestic and overseas markets, resources, and funds; and trying to keep a dynamic and open balance in economic planning;

—Changing the function of exercising planned management and control to macroeconomic management with emphasis on service and coordination, firmly establishing the concept of serving grass-roots economic entities and enterprises, and strengthening information and consulting services.

It has been learned that the SPC, in line with the guidelines of Comrade Deng Xiaoping's southern tour speech and the enlarged meeting of the CPC Central Committee Political Bureau, as well as the series of policies adopted by the CPC Central Committee and State Council, has conducted in-depth study on major issues related to expanding reform, opening up, and speeding up economic development. The commission is aware that the motive force of accelerated economic development lies in reform and opening to the outside world and, therefore, economic development plans must be formulated with reform and opening up taken into account. As the department with overall responsibility for the national economy, the SPC should stand at the forefront of reform and opening up and formulate comprehensive plans on major problems related to reform and development. With this understanding, Zou Jiahua, vice premier of the State Council and director of the State Planning Commission, presided over several commission meetings and forums and led many fact-finding

teams to conduct in-depth investigations at the grass roots. The commission has worked out many major measures on expanding reform and opening up and speeding up economic development. At the same time, it has also done some research and made specific arrangements with regard to cutting back on the commission's specific responsibilities, enhancing its macroeconomic regulation and control, and changing the functions and methods of planned management.

To Reduce Mandatory Plan Targets

OW2709125692 Beijing XINHUA Domestic Service
in Chinese 0528 GMT 27 Sep 92

[Text] Beijing, 27 Sep (XINHUA)—A responsible person of the State Planning Commission has announced that, beginning in 1993, targets for mandatory state plans will be halved and production targets for agriculture, industry, material, commerce, and export, which are directly under its management, will be reduced by one-third and more.

It has been learned that the commission has taken the reduction of mandatory state plans, intensified coordination of policies, making plans more effective in facing the market, and bringing out the state plans' macro-guiding role as its major restructuring programs and will embark on the following reforms:

For the agricultural sector, other than placing a few agricultural products having direct effects on state planning and the people's livelihood under guided management plans, including grain, cotton, oil, and flue-cured tobacco, production targets for other agricultural products will be abolished. Planned targets for some relatively competitive industrial products, including metallurgy, chemical, machine-building and electronics, light industry, and textile, will be abolished and be subject to market regulation. For important targets to be retained, some will be placed under gross national targets without down-the-line apportionments.

For certain means of production with supply and demand largely balanced and having basically little difference in the state-designated and market price, mandatory distribution plans will be abolished, giving way to a state goods ordering system to be established accordingly. The main function of the state goods ordering system is to meet certain specified needs and to satisfy the requirements of market regulation. Important materials slated for state ordering next year include tires, rubber, sedan cars, aluminum materials, rolled steel, pig iron, and others.

Mandatory commodity procurement plans for allocation and transfer will be reduced. Mandatory procurement of cotton cloth and sheep's wool for allocation and transfer will be abolished, while that covering edible vegetable oil, live pigs, and sugar will become guided plans.

Catalogues for both supply export commodities and controlled export commodities directly managed by the

State Planning Commission will be reduced gradually, with a planned reduction of their categories from 27 and 11 to 19 and 10, respectively, in 1993.

Prices 'Relaxed' on 'More' Farm Products

OW2809032592 Beijing XINHUA in English
0247 GMT 28 Sep 92

[Text] Beijing, September 28 (XINHUA)—The state administration of commodity prices has readjusted the catalogue of farm product prices with the aim of promoting price reform of agricultural production and the development of rural economy.

According to the newly published catalogue for farm product prices, the state has further relaxed price control of more products, today's "PEOPLE'S DAILY" [RENMIN RIBAO] reported.

Only six farm products remain under price control including grain, cotton and tobacco. Chinese medicinal herbs, wool and resin are priced under the guidance of the state.

The prices of other farm products will fluctuate with market demand, according to the report.

Localities Launch Free Grain Market System

OW2709075092 Beijing XINHUA Domestic Service
in Chinese 0516 GMT 26 Sep 92

[“Roundup” by XINHUA reporter Jiang Jun (1203 6511): “China Carries Out Experimental Free Grain Market System in Many Places”]

[Text] Beijing, 26 Sep (XINHUA)—A major reform project is now under way in some places across the country. According to incomplete statistics, more than 400 counties and cities across the country are practicing, to a varying extent, a free grain market system. People are no longer required to purchase grain with grain booklets or coupons in these places. Some localities have even abandoned the task of purchasing grain from peasants at a set price. Instead, they purchase grain at a market price. Grain—a special commodity strictly controlled by the state's economic plan because of its important bearing on people's livelihood—has gradually become a regular commodity in the markets of these places.

These pilot counties and cities are located in 16 provinces and regions, including Guangdong, Liaoning, Hubei, Shandong, Jiangxi, and Shaanxi. The concrete measures for carrying out the free grain market system vary according to the conditions in each locality. In some places, the purchase price and amount fluctuate in accordance with market demand. In other places, the purchase price and amount remain unchanged except for the selling price. In terms of the selling price, there are three different kinds: 1) the set amount of grain supply is completely abandoned, allowing the grain price to fluctuate with market demand; 2) the set amount of grain

supply remains unchanged but the grain will be sold at a market price; 3) the selling price is somewhat under control at the level of maintaining management cost.

To ensure a stable supply of grain, many localities collect agricultural taxes and water conservancy fees in kind. Most of these places establish a county-level grain reserve and price risk funds system, thus enhancing the state's capability in macroeconomic control and preventing the supply and demand of grain and its price from sharp fluctuation.

In consideration of the shock which might occur in the initial period of the free grain market system, some localities provide grain subsidies to their residents. In some places, workers and staff members are given subsidies in accordance with their respective family needs. In other places, residents are given a lump sum payment for their seasonal grain subsidies.

Guangdong's Shenzhen Special Economic Zone, Sichuan's Guanghan city, Guangxi's Yulin city, Inner Mongolia's Zhuozi County, Fujian's Shishi city, Shandong's Changdao County, and Hubei's Shishou city began this new system earlier than other places. Liaoning's Anshan city just began to practice a completely free system on 1 May. Despite the variance in the time schedule for carrying out this experimental system, all pilot localities have achieved marked results. Cases in point are: peasants will no longer feel that they suffer from losses, because their grain is now sold at a market price; the fact that peasants grow grain in accordance with market demand helps improve the development of grain production and brings about suitable readjustment of the agricultural and grain variety structure; a great margin of subsidy reduction lightens the financial burden; faced with various competition factors, grain departments began to provide various kinds of services which are universally welcomed by consumers.

For many years, China's grain supply and marketing system has been pestered by four problems: 1) low grain price discourages peasants from growing grain; 2) financial subsidies have long been used to cover the price difference between purchasing and selling—a practice which is now very difficult for us to continue; 3) losses permitted by policy put grain enterprises on the road to bankruptcy; and 4) there is serious waste of grain. The cause for these problems can be attributed to the fact that grain has not completely become a commodity whose value is correctly reflected by its market price.

The Zhejiang provincial government recently announced that, with the approval of the State Council, the province will free its grain market beginning 1 January next year. Many other provinces are also busy making preparations for the free grain market. It should be pointed out that the solid foundation for various localities to carry out the free grain market system lies in the following facts: China has reaped bumper harvests of grain in recent years; the state has ample reserves of grain; many grain wholesale and retail markets have

been established; and Deng Xiaoping's remark made during his southern China trip has aroused another round of surge in the drive for emancipating the mind and reform and opening up. The effect creates, without any doubt, a powerful momentum for all localities to fully understand the role of market mechanism and put more financial input into economic development. As a result, China has accelerated its pace in freeing the grain market.

Of course, we should take note of the fact that only about one-fifth of counties nationwide practice the free grain market system. The experimental project has been carried out in pilot localities only for a short period. It has not gone through the test of great fluctuation in the supply and demand of grain and its price. Being a special kind of commodity, grain should be controlled to a certain degree by the state's macroeconomic control plan rather than just letting it float according to market conditions. However, the facts shown by some places where grain markets are free prove the "market" is not fearful. If careful preparations have been made, even grain—which has great bearing on people's livelihood—can be purchased and sold in the market.

Commerce Minister on Reform of Grain Production

*OW2709144092 Beijing XINHUA Domestic Service
in Chinese 1101 GMT 25 Sep 92*

[By Jiang Jun (1203 6511)]

[Text] Shanghai, 25 Sep (XINHUA)—Minister of Commerce Hu Ping said here today that grain production is at a historical turning-point as the industry embraces the socialist market economy. Therefore, it is necessary to regard grain as a commodity and to rely on the law of value, and not administrative commands, in organizing grain production and marketing.

At a national meeting to exchange experiences in reforming the grain circulation system, which opened here today, Hu Ping pointed out that as grain is an important part of the national economy, we should map out a reform plan to conform with the socialist market economy. He said: Beginning in 1985, when the state abolished the system of unified grain purchase and replaced it with the system of purchase by contracts, the market began to exert an increasingly greater influence on the production and marketing of grain. In recent years, the state has continually reduced and stabilized the variety and quantity of grain purchased by contracts, scaled down the fixed-price grain sales, and raised the price of grain purchased by contracts, with the aim of gradually steering grain, an important commodity, into the market mechanism. Since the beginning of last year, the state has systematically raised the selling price of grain—this is like touching a sensitive nerve that has not been touched for more than 20 years. This clearly indicates the determination of the state.

Hu Ping said: An important link in reform of the grain circulation system is pricing reform. Only when prices

are finally determined by market forces can the prosperity and scarcity of social resources be flexibly and truly reflected. At the beginning of price system reform, price risks should be undertaken jointly by the state, producers, dealers, and consumers, as this method is more appropriate than others. Reform of grain prices should proceed actively and steadily in the light of local conditions in various areas.

Economist Tong Dalin on Congress Expectations

HK2809055992 Hong Kong WEN WEI PO in Chinese
28 Sep 92 p 2

[“Special interview” by staff reporter Liu Shih-hsin (0491 1102 2500); “Three Expectations of the 14th CPC National Congress—Interviewing Professor Tong Dalin”]

[Text] Professor Tong Dalin recently told reporters that at the 14th CPC National Congress, people will reach a consensus of opinion on the concept of “socialist market economy,” and economic construction will move onto the express highway. He expressed the hope that after the 14th party congress, first, attention will be paid to high-speed growth under the premise of quickening reform; second, the market mechanism will be improved; and third, the role of intellectuals will be brought into full play.

On the afternoon of 26 September, this reporter came to the “China and World Observation” Institute. Tong Dalin, director of this institute and a famous economist, mentioned the “socialist market economy,” which has recently been discussed by many people. He said: The most gratifying thing is that the 14th party congress will mark the forming of a consensus of opinion on the proposition “socialist market economy.” I use a figure of speech to describe this. The socialist market economy is like an express highway, with which economic construction can move ahead very fast. In the past, for various reasons, we always tried to evade it and adopted such propositions as “taking the planned economy as the dominating factor and market regulation as a supplement,” “practicing a commodity economy under the guidance of planning,” or “combining the planned economy with market regulation.” These were all roads for economic development, but the speed can only be ordinary. As the roads were still tortuous, the economy cannot develop constantly at a high speed.

Tong Dalin said: Of course, some people may still argue against the proposition of “socialist market economy,” but it has been accepted by more and more people. He further explained: With the market economy being attached to the label of socialism, this means that the basic system of socialism should and can be unified with the market economy, and they are not antithetical to each other. The two sides can bring their respective advantages into full play so that the productive forces,

economic growth speed, labor productivity, and economic efficiency in socialist society can surpass those under a capitalist system.

When talking about his hopes for the 14th party congress, Tong Dalin said: Since Comrade Deng Xiaoping’s important talks this spring were made public, the national economy has been growing at a very high speed. Foreign investment has also doubled. It is hoped that after the 14th party congress, reform will still be quickened, and high-speed economic growth will be effected under the premise of quickening reform. Only thus can it be maintained and can overheating be prevented.

Second, it is hoped that more attention will be paid to improving and perfecting the market mechanism. At present, the market for consumer goods, including grain and cooking oil, has been basically opened and enlivened, and the common people can enjoy a rich supply of food and clothing. However, the market for capital goods has not been fully opened, and the supply of coal, petroleum, iron, and steel is still strained. I proposed that coastal areas be allowed to increase the import of such goods. In changing the enterprise operation mechanism, it is necessary to separate enterprises from the government, but it is more important to push enterprises into the market. Only thus can a benign cycle be effected in enterprise operation and economic overheating prevented.

Third, the market should include the labor market, and especially the labor market for mental workers. It is hoped that after the 14th party congress, the treatment of intellectuals, especially the vast number of intermediate-level intellectuals, including engineers, technicians, and teachers, will be substantially improved. They work on the forefront, and their role should be brought into full play. Enterprises should be authorized to retain more funds in hand so that they can raise the wages of engineers and technicians.

Article Gives Details of ‘Nickel Metropolis’

HK2809045392 Beijing RENMIN RIBAO in Chinese
11 Sep 92 p 1

[“Reform and Opening Up Bring New Look” column by RENMIN RIBAO reporter Zhang Shusheng (1728 6615 5110) and XINHUA reporter Wang An (3769 1344); “Embracing a ‘Gold Doll’ of the People’s Republic—Practice of Jinchuan Company Shows Science and Technology Are Primary Productive Forces”; first two paragraphs are RENMIN RIBAO editor’s note]

[Text] The great PRC is greeting its birthday—the 43d anniversary of the founding of the Republic—and the entire people are also hailing the convening of the 14th CPC National Congress. On the arrival of the double blessing, this newspaper will carry reports under the column of “Reform and Opening Up Bring New Look” beginning today, covering from various angles the achievements of people who have added splendor to the

People's Republic, and the new changes reflecting what reform and opening up have brought to socialist China in various aspects.

We begin with the article "Embracing a 'Gold Doll' of the People's Republic," which is about the story of Jinchuan Nonferrous Metal Company—a nickel metropolis in China. When Comrade Deng Xiaoping came here 26 years ago, he joyfully called the place a "gold doll." What does it look like now? What have reform and opening up brought to it? There will be reports under separate titles, and this is the first article.

This is not a mysterious legend, but a career which provides much food for thought.

Below Longshou Mountain which "faces the snowy summit of Qilian Mountain, and lies with its head pillowled on the water of Jinchuan," there has been buried deep in the strata of Hexi Corridor an extra-large deposit of nickel and cobalt with reserves ranking second among similar deposits in the world. On its surface, there towers aloft Jinchuan Nonferrous Metal Company, which is the Republic's production base of nickel and cobalt and extraction center of the platinum family. The output of nickel and platinum metallic family accounts for 88 and 90-odd percent of the national output respectively, and thus it is called the nickel metropolis of the motherland.

The development of Jinchuan's nickel mine started in the years when the people of the entire nation went hungry, but they started it bursting with energy. In the spring of 1966, Jinchuan Company's first-phase project capable of producing 10,000 tonnes a year of electrolyzed nickel was completed and put into production. When party and state leaders Deng Xiaoping, Li Fuchun, Bo Yibo, and others came for an inspection, Comrade Xiaoping was very delighted, calling Jinchuan's nickel mine the Republic's "Gold Doll."

However, as many knotty technological problems could not be resolved, the "Gold Doll" was unable to see the sky and the sun from beginning to end just like Sun Wu-kung who was held down under Taixing Mountain. The output of electrolyzed nickel ranged between 6,000 and 7,000 tonnes, the loss of metal was extremely serious, the comprehensive recovery rate of dressing and smelting nickel was only 50 percent, and the recovery rate of precious metals including osmium, iridium, ruthenium, rhodium, and so on, was only 1 to 3 percent. In 1977, the output of nickel declined to 5,000-odd tonnes.

In the spring of science, 1978, Jinchuan was included by the state as one of the country's three major bases for comprehensive utilization of mining resources. Thirteen years have passed since it embarked on the road of scientific and technological progress. In these 13 years, the "Gold Doll" was able to see the sky and the sun again, and the nickel base began to take off on wings. During this time, several hundred specialists and academics from over 50 scientific research institutes

throughout the country joined hands with scientific and technological personnel of Jinchuan Company and, centering closely around such fields as extracting, dressing, smelting, comprehensive utilization, environmental protection, and so on, developed one after another 460 scientific research projects on various special subjects. As a result, 128 items of important scientific research have been achieved, of which 98 were granted awards at and above provincial and ministerial levels, and 9 reached international advanced level.

According to statistics, since the campaign to tackle key problems in science and technology, the economic results gained by Jinchuan Company purely through application of scientific and technological advances have exceeded 1.25 billion yuan, accounting for over 45 percent of the total profits and taxes realized in the same period, and reaching the level of developed countries. The total industrial output value of the company since it went into operation 20-odd years ago is 8.9 billion yuan in aggregate, and the profits and taxes turned over to the state totaled 3.94 billion yuan. Of this, the economic results created in the last 10 years made up 75 percent. In 1989, Jinchuan's natural resource comprehensive utilization system project was awarded the national special-class prize for scientific and technological progress.

Over the past 10 years or so, 96 of the 100-odd bright pearls in science and technology have been applied to production, which "have touched stones and turned them into gold." The Jinchuan people said: Reviewing all the achievements we have scored in scientific and technological progress, we can find that they are, without exception, realized through the practice of scientific research tackling key problems in production, scientific research exploring new ways for production, and co-ordinated development through a close combination of scientific research, design, construction, and production.

The mine is the "bottle neck" of development in the nickel metropolis. Jinchuan nickel mine is situated in a rift zone with a complicated geological structure. The ore body of the Second Mining Area which makes up 75 percent of the reserves is buried at a depth of 500 meters under the ground. Because of the high earth pressure and broken rocks, it is very difficult to prop up shafts, so that the main line with a length of 800 meters was unable to be linked up after 10 years of endeavor. Focusing on the difficult engineering problems, 19 scientific research and design units including Changsha Mine Research Institute, Beijing Iron and Steel College, Beijing Research Institute for Metallurgy and Design of Nonferrous Metals, the Geological Research Institute of the Chinese Academy of Sciences, and so on conducted 59 special studies in four aspects comprising the law governing earth pressure activity, digging and propping of pit shafts, extraction methods, and filling technology. The tackling of key problems in scientific research has revealed the characteristic of earth tension effect in Jinchuan mining area; summed up the lane bolstering method of "dealing with the soft ground first and then tackling the hard one, and letting the earth sink first and

then solidifying it," thus solving the predicament of propping up shafts in bad rock layers; successfully developed the "new technology on cementing and filling tunnels with high-density fine sand," thus breaking through the filling problem. Afterward, scientific and technological personnel joined hands with capital construction units and formed four mechanized operation lines for quick digging so that shaft digging was able to extricate itself from the vicious circle of "building after collapsing, and collapsing after building," and rapidly developed into a capacity of producing 3,000 tonnes of ore a day. In recent years, the Second Mining Area also adopted new foreign and domestic technology and equipment. As a result, productivity doubled and redoubled, and 1.2 million tonnes of ore were extracted in three consecutive years, surpassing the design capacity by 20 percent.

After the Second Mining Area went into operation, the great majority of ore was mineral having a high content of nickel. For this reason, the dressing technology originally used to deal with the meager mineral in strip mining was no longer suitable. In order to settle this problem, Beijing General Metallurgical Research Institute, Beijing Nonferrous Metal Research Institute, Northwest Metallurgical Research Institute, and other units jointly tackled the problem, and successfully developed the "new technology for dressing neutral medium rich mineral in the Second Mining Area." To apply this new technology, people had only to transform the original equipment. Then they could deal with the rich mineral in the Second Mining Area, raise the quality of refined mineral, reduce the power consumption of electric furnaces, and increase the unit output of the furnaces. In this way, another stumbling block in production development was removed by science and technology.

After the problems of mine building and dressing capacity were resolved, they proceeded to overcome problems in the electrolysis workshop, which were barriers to doubling nickel output, and develop new technology for recovering precious metals. It is precisely because of breaking through a series of production obstacles and applying scientific and technological achievements that the nickel metropolis was furnished with wings and took off. In 1983, it thoroughly shook off the situation of marking time, and its nickel output exceeded 10,000 tonnes for the first time. After that, potential was tapped every year by relying on science and technology, and nickel output increased year upon year. The output reached 25,000 tonnes in 1990, surpassing the design capacity by 20 percent, and increasing by more than two fold as compared with that before the campaign to tackle key problems.

At present, depending upon scientific and technological advances, the nickel metropolis's second-phase construction project is underway, and a mechanized, trackless, modern mine, equipped with the latest technology and expertise at home and abroad is taking shape. The world's fifth swift nickel smelting furnace will undergo

loaded experiments in September, and a new-type nickel and cobalt base capable of producing 40,000 tonnes a year of nickel and multiple precious metals will be completed and put into production in the middle of the Eighth Five-Year Plan period.

In 1983, the sixth year after the campaign to tackle key problems through scientific and technological progress began, Comrade Fang Yi proposed and took charge of summing up the basic experiences of Jinchuan Company in changing backward production appearance and in depending upon scientific and technological advances. They include: 1) Sticking to the principle of scientific and technological work serving production and construction; 2) adopting the organizational form of vigorously coordinating with and jointly tackling key problems; 3) persisting in the style of working with perseverance and holding fast to the end; 4) taking the road of combining the tackling of key problems domestically with the import of technology from abroad; 5) putting into effect the integration of scientific research, design, production, and construction; and 6) having a leading body which consciously implements the strategic principle that "economic construction must rely on science and technology, and science and technology must be geared to the needs of economic construction." These experiences have become Jinchuan Company's guiding ideology in continuously pursuing scientific and technological progress, and have been extensively popularized in Gansu Province and the departments of nonferrous metals and the affiliated organizations across the country.

During the Eighth Five-Year Plan, the Jinchuan nickel mine is again listed by the state as a key construction project of the raw and semifinished material industry, and the conservation of energy and comprehensive utilization of technology in nonferrous metals is also designated as a key subject in tackling scientific and technological problems. The people of the nickel metropolis, who are shouldering heavy responsibilities and taking a long road, are comprehensively summing up experiences, finding gaps, getting ready for battles, and making active preparations for a new mighty dash!

Giving Enterprises 'Genuine' Power Urged

HK2709014392 Beijing GUANGMING RIBAO
in Chinese 11 Sep 92 p 1

[Article by Zhou Guanwu (0719 0385 0063): "Give Genuine Power to Enterprises"]

[Text] In his talks during the inspection tour to the south, Comrade Deng Xiaoping pointed out: Reform is aimed at building up a socialist economic structure full of vigor and dynamism. This is the best generation of our country's reform target. The major symbol of realizing this target, in the field of urban reforms, is to see whether large and medium enterprises owned by the whole people are actually full of vigor and dynamism. The Third Plenary Session of the 12th CPC Central Committee in 1984 explicitly pointed out: The central link of

the urban reform is to invigorate enterprises, especially large and medium enterprises owned by the whole people. However, so far, only a very small number of such enterprises owned by the whole people in our country have actually acquired vigor and dynamism in their operation. This is because in our practical work, we have not consistently focused our attention and effort on the task of invigorating them. At present, there exist various contradictions in the economic life, and whether these enterprises can be effectively invigorated has become the main contradiction that has a decisive bearing on the overall economic situation. When inspecting the Shoudu Iron and Steel Corporation, Comrade Deng Xiaoping explicitly pointed out that at present, the issue of invigorating them actually must be resolved.

The key to invigorating these enterprises lies in really delegating management power to the enterprises. In the socialist market economy, enterprises must be made commodity producers and dealers that have all the powers for managing their own operation, and only thus can they really become independent entities in the market and make timely and flexible reactions to market signals. At present, we are developing the market economy under the condition of coexistence of a variety of economic elements. If we still fail to invigorate large and medium enterprises owned by the whole people, they will be situated in an unfavorable position in market competition, and may even wither day after day. Then, our market economy will become an undeveloped market economy like that in the period of capitalist primitive accumulation, and it will not be possible for a modern socialist market economy to take shape. This will greatly retard the process of our country's modernization. If we actually emancipate productive forces and make large and medium enterprises owned by the whole people full of vigor and dynamism and turn them into the independent entities in the market, then their technical, management, and financial advantages will be brought into full play, and they will constrain the non-public economy and keep it as the necessary supplement to the socialist public economy.

At present, what is the main factor that prevents the large and medium enterprises owned by the whole people from being vigorous and dynamic in their operation? In my view, it lies in the excessively heavy financial burdens imposed on these enterprises. If these enterprises do not have substantial economic strength, their independent management power will just be an empty thing. At present, they are facing the most difficult conditions they have ever encountered since the founding of the PRC. According to statistics, in 1978, before reform began, industrial enterprises included in the state budget contributed 96.82 percent of their profits to the state, but they could also get all the working funds and technological transformation funds from state appropriations; in 1991, large and medium enterprises owned by the whole people still had to turn over 94.8 percent of their profits to the state in the form of taxation

of profit turnovers, but they were required to raise working and technological transformation funds on their own. This made the enterprises bear a very heavy debt burden. In 1990, the amount of loans for capital construction and technological transformation projects in the enterprises owned by the whole people was 10.9 times as much as the amount of profits they reaped. According to their current profit-making capacity, it will take 11 years for the enterprises to pay off their debts. While the enterprises are bearing heavy financial burdens, state finances are also in straitened circumstances. How should we shake off this dilemma and predicament? The fundamental method is to lighten levies on the enterprises so that they can accumulate financial resources. The state's financial policy toward the enterprises should only be relaxed and should not be tightened. At the same time, it is necessary to actually ensure the self-management power of the enterprises, actually effect changes of enterprise operation mechanisms, and thus actually invigorate the enterprises. After the enterprises raise their economic efficiency, they can naturally increase their financial contributions to the state, and state finances can also be freed from the predicament.

In the old structure, the social status of the enterprises was very low. They could only stand docilely in front of government institutions like Jia Gui in the Famen Temple, and they did not dare to sit down. At present, we should stress that the large and medium enterprises must not have a sense of inferiority and must not be afraid of raising their heads; instead, they should be proud and courageous. They are representative of advanced productive forces and the most revolutionary factor in the economy, and they form the main force of the socialist economy. If they do not have vigor and dynamism, where can the superiority of socialism be found? Our reform practice over many years has shown that there exists strong resistance to the effort to actually delegating self-management power to the enterprises. So our enterprises should have the courage to strive for such self-management power with full assurance and determination.

Reform in State Firm Ownership Proposed

*HK2809032592 Beijing CHINA DAILY in English
28 Sep 92 p 4*

[Article from the "Opinion" page, by Bao Anming:
"Reform Proposed for State Firm Ownership"]

[Text] China's State-owned enterprises, once pillar and pride of the national economy, are reaching a juncture at which they must undergo drastic reform to survive the intensifying competition as the country switches toward a market economy.

A re-classification of those firms' property rights and the institution of a system that allows all shares of assets to be traded freely serves as a fundamental and indispensable step for the enterprises to evolve into independent business entities.

The government should take its hands totally off the enterprises except for collecting taxes and the part of profits the government agencies are entitled to as owners, said He Xiaoming, a research fellow with the Institute of Economic Systems and Management under the State Commission for Restructuring the Economic System (SCRES).

It must drastically streamline its functions, break up the barriers among different ministries and departments and reform planning, investment, finance and foreign trade administration to create a favourable environment for the enterprises to improve their internal management. He told some 50 mainland and Hong Kong researchers and business people at a seminar earlier this month.

In theory, each and every Chinese citizen is a "shareholder" of the enterprises owned by the whole of the people.

But it is practically impossible for them to exercise their "ownership rights" because of sheer size and the fact none has spent a single penny on such ownership.

The government fills in to act both as owners and managers in the name of the people. Hence the phrase "State-owned enterprises."

Enterprises now are accountable only to higher-level authorities and take no actual responsibility for losses to the people's or nation's assets. The so-called "iron wage," "iron post" and "iron rice bowl" in these firms all take root in the absence of a physical owner on the property.

There are currently 10,707 State-owned, large-and medium-sized firms, making up 2.5 percent of all enterprises. They generated 45.6 percent of the national industrial output value last year, and filled 60 percent of the State coffers.

But they are losing in competition with the rising rural firms and the non-public sector, while their share in the domestic economy dwindles and efficiency declines, He said.

From 1985 to 1990, the annual per capita industrial output value in the State-run sector was 11,068 yuan (\$2,030), while that for rural, private and Sino-foreign joint ventures was 30,612 yuan (\$5,620).

A third of them are oozing red ink and another third incur hidden losses.

He Xiaoming attributed that to the government's rigid control, the enterprises' poor management and their excessive tax payments and contributions to the State. The irrational property relationship between the State and enterprises is the most important factor behind the phenomenon.

In 1990, coal mines under central or local government control sold nearly 96 percent of their output at planned

prices, which are substantially lower than market prices. The figure for crude oil was 73 percent and for electricity, 67 percent.

The Enterprise Law, adopted by the State legislature [as published] in 1988, granted enterprises 13 decision-making rights. Hardly any, however, have been put into practice.

In 1990, the actual income tax rate for State enterprises was 38.3 percent. It was 31.3 percent for urban collective firms, 24.9 percent for rural enterprises, and less than 20 percent for individual and private businesses.

There is a popular belief that once the State-owned enterprises switch their operating mechanism, characterized by the three "irons," and are granted more autonomy in their business decisions, they will become much more efficient.

"This is doubtful," said Fan Gang, a research fellow with the Institute of Economics under the Chinese Academy of Social Sciences.

"If existing property rights are not clarified," Fan said. "there will be more abuse of power by the enterprises once they enjoy more power."

Even under current strict control, there have been rampant practices of wanton issuing of bonuses, ever-increasing institutional consumption, lavish banquets at public expense, making personal gains with public facilities and other forms of corruption.

That is because hardly anybody is personally responsible for damage to State property, of which everybody is supposedly an owner, Fan said at the forum.

Share-holding reform is a feasible way to restructure the property relationship.

"The share-holding reform should first help classify enterprises' ownership to [as published] assets to pave the way for their further changes, not just provide a vehicle for raising capital or finding an outlet for citizens' savings." Fan agreed with most researchers that the government should reserve the predominant share of any State-run enterprise at the beginning of the reform.

But that will hardly change the existing relationships between the government and enterprises if previous officials become chairmen of the boards, and national property administrations take the place of ministries to control the businesses, Fan said.

To solve the problem, He Xiaoming proposed setting up an institutional share-holding system, under which enterprises, banks, securities companies and social groups purchase each other's stocks, so that they will share common interests.

State shares will be sold to these institutions but the government reserves the right to final ownership under

extreme conditions. In that way it will no longer control the enterprises as their biggest stockholder.

That is no equivalent to privatization, she said, but rather another form of ownership by the public, or the people.

She said she is working with an SCRES team that is currently drafting a scheme to reshape the country's economic system by the year 2000. The plan will be submitted to the coming 14th National Congress of the Communist Party of China for deliberation.

The group has reached a consensus that national property administrations at various levels should renounce all forms of meddling in enterprises. The administration itself should switch its loyalty from the government to the legislature.

Specialized ministries, apart from those in charge of such basic industries as energy and communications, should be either dismantled or combined.

For example, departments of finance, taxation, price and foreign trade could be merged to form a State macro-control centre to work out financial and monetary policies in the light of market demand.

The central bank will be accountable only to the legislature. It will control money issue and credit policies. Other specialized banks will be turned into commercial bodies.

State planning will focus on macro policies, co-ordination of different sectors, forecasts and longer-term development strategies. The government will invest in key and public projects, and let the enterprises make decisions on expansion, including issuing bonds and stocks.

Efficiency Aim in Coal Industry 'Massive Layoffs'

*HK2809044292 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English
27 Sep-3 Oct 92 p 2*

[By Chang Weimin: "Coal Layoff Required By Drive to Efficiency"]

[Text] China's struggling coal mining industry hopes massive lay-offs will help it make a profit within three to five years after years of inefficiency.

A course of action will be decided at a conference to be held later this year. Officials from the China National Coal Corporation (CNCC) said the conference will discuss how to deal with hundreds of thousands of coal workers to be laid off as the industry strives to be more efficient.

In China, some 7 million people are involved in producing 1 billion tons of coal a year. Experts say that with such a massive workforce, it is difficult to cut production costs.

The coal industry has been bleeding red ink for decades, officials say.

A China National Coal Corporation division chief said this year's planned lay-off of 80,000 workers will be made as scheduled.

"We've already opened businesses to absorb the layoffs," he said. The government would like many of the laid-off workers to go into service businesses.

The central government will also support the industry to expand processing and service businesses. Loans of 2 billion yuan (\$360 million) have already been approved.

The unreasonably low, State-monitored price of coal will also be entirely unleashed to rise to market levels, Business Weekly has learned.

The government will adopt a step-by-step strategy to get coal prices up to market levels after the year 1995.

In July, the government permitted a price rise of 10 yuan per ton, thus pushing State-set prices up to 45 yuan per ton (\$8.33 per ton).

On the free market, coal can sell at 100 yuan or more a ton (\$18.50 a ton).

For decades, coal prices have been controlled by the central government.

The coal industry has made major efforts to diversify over the past two years and its progress has drawn the attention of ministries and government departments.

Officials from other industries spoke highly of a fair China National Coal Corporation and another two coal mining companies held to demonstrate their achievements in processing and service businesses.

During the eight-day fair, the first ever of its kind by an industry, 4,700 products were on display. Agreements on trade and economic cooperation were reached with business people from nine countries and regions including the United States, Spain, Thailand, Austria and Taiwan. Transaction volume was at least 1.45 billion yuan (\$260 million).

"We've got experience in opening service businesses to provide jobs for laid off workers, and I'm confident that the industry's work force will be reduced according to plan," the official said.

In the Yungang Coal Mine in Datong, Shanxi Province, nearly half of the workforce totalling some 9,500 have been successfully transferred into processing and service businesses.

Work efficiency has improved and workers' income is higher, according to the latest reports.

Coal constitutes 70 percent of the energy China uses. China National Coal Corporation officials said coal production this year will be about the same level as last year: 1 billion tons.

Construction Project Approval Simplified

OW2709054892 Beijing XINHUA Domestic Service in Chinese 0227 GMT 26 Sep 92

[Text] Beijing, 26 Sep (XINHUA)—A spokesman for the State Planning Commission recently made the following announcement: From now on, applications for construction projects submitted by local governments or enterprises for examination and approval will receive clear and definite responses from the commission within 60 days after the applications are received.

According to the spokesman, the simplification of the examination and approval procedures and the enhancement of relevant working efficiency are part of the reform measures recently implemented by the commission to delegate authority to lower levels with respect to capital construction and to improve and strengthen macroeconomic control of investment. At the same time, the commission has announced it will implement the following measures:

Delegate more authority in approving investment projects proposed by the governments of provinces, autonomous regions, municipalities, and cities with provincial-level economic decisionmaking authority;

Give more decisionmaking power to enterprises with respect to investment and gradually turn enterprises into primary investors;

Give more decisionmaking power to provincial-level governments, special economic zones, and certain large enterprise groups with respect to using foreign capital in capital construction;

And encourage participation by local governments and enterprises in investing in key state construction projects and, thereby, gradually change the current practice of the state making all or the major portion of investments in key construction projects.

From now on, a responsibility system should be instituted in principle among the operators of large and medium-sized capital construction projects in order to raise the efficiency of investment and to build a micro-economic operational mechanism that enables the main investors to develop their own interests, ensure good coordination, exercise self-restraint, and stress economic efficiency.

The commission calls for improving and strengthening macroeconomic control of investment in fixed assets; taking control of the source of construction funds as a primary means of controlling the fixed assets investment of the country as a whole; keeping the investment in fixed assets across the country within the limits of our

national strength; rationally guiding investment; and preventing unnecessary, overlapping construction.

Li Yining Discusses Shareholding System

HK2609051492 Beijing LIAOWANG in Chinese No 33, 17 Aug 92 pp 15-17

[Article by Liao Ping (1394 1456): "Economist Li Yining on Hot and Cold Shareholding System"; first two paragraphs are LIAOWANG editor's note]

[Text] Deng Xiaoping's remarks during his south China tour have further smashed the trammels of traditional concept in people's minds. The upsurge of shareholding systems is spreading in various localities. Shareholding is acceptable to more and more people. This is the fruitful result of emancipating the mind, which is of vital and far-reaching significance.

However, there is something to worry about in this favorable situation. Taken as a whole, many conditions are not yet ripe for China to practice shareholding, as various rules and regulations with regard to the organization of evaluating assets, accounting, auditing, securities companies, and stock trading have not been made perfect. If objective reality is neglected and shareholding is extensively practiced in a hurry, it will easily lead to rushing headlong into a mass action and result in failure because of undue haste. Shareholding is an effective form of economic development but in practicing shareholding, we must seek truth from facts, proceed from reality, popularize after experiments, and persist in incremental implementation on the premise of standardization.

[Liao Ping] At present, most enterprises are confronted with the difficulty of inadequate funds; hence, raising funds through issuance of shares has become the main reason for vying with each other in issuing shares now.

[Li Yining] In fact, the practice of shareholding is not merely aimed at pooling funds but, more importantly, at shifting enterprise operational mechanisms. The objective of enterprise reform is to maintain the principal position of public ownership, and separate enterprise from government functions so that enterprises can really embark on the road of independent operation, assumption of sole responsibilities for their own profits and losses, self-development, and self-restraint. What methods should be employed to realize this objective? Practice has proved that implementation of shareholding is an effective way. After enterprises put shareholding into effect, their openness is intensified. All enterprise activities should be conducted through their boards of directors, and state shareholders should also respect the views of other shareholders. A mechanism of mutual restraint between owners and operators will be set up through annual shareholder meetings, boards of directors, and management strata. To be concrete, the principal functions of shareholding in the socialist society are: 1) It is conducive to bringing about the separation of enterprise and government functions and

shifting enterprise operational mechanisms to enable enterprises to become real commodity producers that operate independently and assume sole responsibilities for their own profits and losses; 2) it is conducive to financing, fund raising, expansion of enterprise production scale, technological transformation, and increase of new product supplies; 3) it is conducive to adjusting the industrial structure, carrying out enterprise merger, and forming enterprise groups; 4) it is conducive to the supervision and control of enterprise production and operation activities; and 5) it is conducive to increasing internal enterprise enthusiasm and releasing the enthusiasm of staffs and workers.

[Liao] At the beginning of this year, trading prices of stocks listed in Shanghai and Shenzhen were a dozen fold or even several dozen fold higher than their face value so that some people thought it easy and profitable to do stock dealing, believing that it was a ready source of money with no risk at all. As a result, enthusiasm of holding stocks was aroused and the fever of contending for buying stocks shot up rapidly among the common people.

[Li] Yes. Some people do not know about the nature of stocks, thinking that "stock dealing will certainly bring fortunes." Seeing that others are buying stocks, they just follow suit, or even rush to buy whatever they can lay hands on regardless of the operational condition of the enterprises. They are, in effect, blind shareholders. They hardly realize that stocks are different from bonds. The principal of bonds is secured, but that of stocks is not; the interest gained from bonds is fixed, but the profits of stocks are floating; the principal of bonds will be repaid on maturity, but that of stocks will not, and can only be transferred to another person who wants to purchase such stocks; and the income earned from bond interest generally need not entail personal income regulatory tax, which, however, will be levied on the income gained from stocks according to stipulations. In short, so far as an individual is concerned, his investment in stocks has a relatively greater risk, because a joint-stock enterprise may go bankrupt if it performs poorly and suffers losses so that its assets fail to cover its liabilities, while investment in bonds has a comparatively smaller risk. Consequently, in purchasing stocks, the prospective holders must have sufficient mental preparations, realizing both the profits they may gain through buying stocks, and the losses they may sustain due to their improper choice and hazardous actions.

[Liao] But, there is another tendency, i.e., some people regard stocks and stock exchanges as the concentrated expression of capitalist evils, maintaining that shareholding turns public wealth into private property; therefore, they "turn pale at the mere mention of stocks."

[Li] This is a misunderstanding of the shareholding system. Shareholding is just an organizational form of enterprise property, and the contents of shareholding are decided by investor organizational conditions. As Professor Wang Jue [3769 3778] puts it: "Follow the man

you marry, be he a goof or a crook." On the foundation of capitalist private ownership, shareholding has a capitalist nature, and serves the economy under capitalist private ownership. In China, however, as state shares as well as corporate shares of public enterprises hold a dominant position with individual shares in society playing only a supplementary role in the national economy under the socialist system, the nature of shareholding has changed, becoming an organizational form of enterprise property serving the socialist economy.

[Liao] We magnified the negative aspect of shareholding in the past. This is wrong. Now we have realized the positive role of shareholding, do its negative factors still exist?

[Li] Yes. There are shortfalls in shareholding system itself. For instance, it is detrimental to increasing profits of the enterprises engaged in infrastructure projects, which have long investment periods and slow results. There are also problems of broadening income differences in society, and of greater risks for investors. Especially in the unstandardized joint-stock enterprises and legally unsound stock markets, there are ample chances of such malpractices as internal manipulation as well as offering and accepting bribes. With regard to these malpractices, we can only rectify them with correct policies, but we must not give up eating for fear of choking. There are two circumstances for those who bought shares and committed suicide by plunging to their death from somewhere high: One is that they made wrong predictions about share prices, and bought shares with borrowed money. When the shares depreciated, they committed suicide, being unable to repay their debts. The other is that they were part of scandals involving stock dealings and, when things were brought to light, they committed suicide as a result of feeling shame. These cannot be regarded as the faults of the shareholding system. Are there not people who committed suicide in evaluating job titles? Things should not be lumped together, and we must make concrete analyses of concrete issues.

[Liao] Some people do not understand very well that when shareholding was in its cold state, you advocated it and raised a hot wind regarding it, but when it is in a heated condition, you have subsided. What is your motive for all this?

[Li] Slightly raising a cool wind is not the same as stirring up a cold wind. Those who stirred up a cold wind have played down the functions of the shareholding system and distorted its nature, thus proceeding to advocate abolishing it. But, slightly raising a cool wind means reminding people to keep a sober mind so that they are not aroused to precipitate action, which was more of a hindrance than a help to shareholding. This is because "shareholding fever" has the tendency of rushing toward mass action. When one hears wind blowing, he thinks it must be raining. Seeing that you have set up 20 joint-stock enterprises, I would like to double the number by setting up 40, and somebody may want to surpass me by

going in for 80. How can we end up in this way? When the rice is underdone, it is not good for eating, but we may add a little more water and turn it into porridge. Although it tastes poor, it can still be eaten to allay hunger. But joint-stock enterprises are different. As the capital of stocks is raised from the market, it involves the interests of several thousand shareholders, and there is generally rigidity [gang xing 0474 1840] in the interests. Hence, once we fail to standardize shareholding and have to rectify it, some shareholders' interests will be affected one way or another, and thus evoke their strong dissatisfaction. What is worse, we may find it very difficult to conduct rectification work. In other words, when shareholding becomes the "underdone rice," its consequences should not be overlooked.

[Liao] What propositions do you have to rectify the practice of unstandardized shareholding and promote it to get onto the right development track of standardization?

[Li] I think we should at least hold fast to the following three issues.

First, appraisal of assets. We must understand that the difficulty does not lie in raising funds to set up new joint-stock enterprises, but in how to transform the existing enterprises (including state-run enterprises, and enterprises under collective ownership) into joint-stock enterprises. Although there are also problems of asset evaluation in establishment of new enterprises, relatively speaking, they are far fewer. In the transformation of existing enterprises, the problems in asset evaluation are conspicuous. The reason some joint-stock enterprises do not conform to the standard is that, more often than not, there are problems in asset evaluation. For instance, when the principal part of investment is not definite, the ownership of equity after asset evaluation cannot be resolved. If an evaluation is inappropriately made, assets will be undervalued, the original main investment body will suffer losses, and its interests will be eroded.

Second, shares held by enterprise workers and staff members. According to the rules and regulations on joint-stock enterprises, enterprises' own workers and staff members are entitled to buy a certain quantity of shares, which is conducive to mobilizing the initiative of workers and staff members, and increasing enterprises' cohesiveness. However, it is precisely in this respect that is liable to deviate from standardization. For instance, shares should be regarded exactly as shares. Their principal will not be repaid, and their profits are floating. One should not regard them as shares when the enterprise makes money, and as bonds when it suffers losses, and even expect them to both ensure interest and repay principal. Again, when workers and staff members buy the shares of their own enterprise, they must pay money for them rather than get them free. Otherwise, will they not obtain benefits at the expense of other shareholders? Therefore, workers and staff members must pay money

for the shares they obtain unless these shares are converted from the funds which would have been distributed to them as bonuses. In addition, the total amount of shares held by workers and staff members should be controlled within a certain proportion (say, not exceeding 30 percent of total share capital). An excessively high proportion of shares held by staff and workers does not conform to the standard of joint-stock enterprises.

Third, public issuance and listing of shares. Joint-stock enterprises must go through certain formalities of examination and approval for the issuance and listing of their shares to bring them into line with the requirements stipulated. For example, an enterprise which wants to transform into a shareholding system must meet the requirement of having good economic results in the past three years; have the minimum authorized capital (say, 10 to 30 million yuan in varying cases) in keeping with stipulations; and give detailed explanations on the use of funds pooled by way of issuing shares and on how beneficial results will be. All the above requirements should be complied with. Only in this way can unstandardized joint-stock enterprises taking advantage of the "shareholding fever" to squeeze into the securities market be avoided.

Cross-Region Shareholding Firm Set Up in Shanghai

OW2809141592 Beijing XINHUA in English
1248 GMT 28 Sep 92

[Text] Shanghai, September 28 (XINHUA)—The Yangtze River United Economic Development Co. Ltd., a cross-region share-holding company, was set up here today.

Initiated by Shanghai, Nanjing, Wuhan and Chongqing cities and the Bank of Communications, the company, with registered funds of 650 million yuan, has more than 400 share-holders, including 34 finance bureaus in the cities, 31 branch banks and 385 enterprises along the Yangtze River.

At an opening ceremony held here this afternoon Dai Xianglong, chairman of the board of directors of the company and also president of the Bank of Communications, said that the purpose of the company is to service the development of the Pudong New Development Area in Shanghai and to promote economic growth in the areas along the Yangtze River.

The company's business scope involves development of real estate business, exports and imports, investment at home and abroad and setting up various kinds of joint ventures.

In addition, the company will also engage in commerce, materials and equipment, cargo storage, transportation, tourism, and development of natural resources and information inquiry services.

It will issue A-shares and B-shares at an appropriate time.

State Council Approves Customs in Pudong Area

*OW2509151992 Beijing XINHUA in English
1427 GMT 25 Sep 92*

[Text] Shanghai, September 25 (XINHUA)—The State Council has approved the setting up of the Pudong customs in the Pudong New Development Area of east China's Shanghai Municipality.

Efforts will be made to put the customs into operation as soon as possible.

To meet the demands of rapid economic development in Pudong, a temporary office of the customs will handle customs duties from October 1.

The office will deal with affairs regarding taxation reduction or remission on imported materials, as well as the setting up of bonded warehouses and factories in the Pudong area.

Central, Local Leaders Attend Reform Meeting

*OW2809081692 Guiyang Guizhou Television Network
in Mandarin 0200 GMT 26 Sep 92*

[Announcer-read report; from the "Guizhou News" program]

[Text] To further deepen reform, conscientiously carry out the regulations governing the transformation of enterprises' management mechanisms, and foster the growth of industrial groups, the Economic and Trade Office, the State Planning Commission, and the State Commission for Restructuring Economy under the State Council held an experience exchange meeting attended by representatives of the state's experimental industrial groups.

Deputy Director Zhang Yanning of the Economic and Trade Office, Vice Minister Wang Chunzheng of the State Planning Commission, and Vice Minister Hong Hu of the State Commission for Restructuring Economy, respectively, delivered speeches on how to implement the instructions of Document No. 71 of 1991 issued by the government by accelerating the pace of forming industrial groups. Governor Wang Chaowen of Guizhou Province and Vice Minister Zhu Yuli of the aeronautic and astronautics industry also spoke at the meeting. Nine units of China's first batch of 55 experimental industrial groups, including the Guizhou Aviation Industrial Group, the Dongfeng Vehicle Manufacturing Group, and the Baoshan Iron and Steel Industrial Group, gave reports on their experiences in forming industrial groups.

At the meeting, leaders from the three offices and commissions said: Since Comrade Deng Xiaoping's remarks during his southern China trip were announced, China's drive of reform and opening up has entered a

new stage. Developing industrial groups is one of the major tasks for the State Council to improve the management of large and medium-sized enterprises. Transforming management mechanism is our aim in reforming enterprises and experimental industrial groups. All industrial groups must, in accordance with Document No. 71 of 1991 issued by the government and the provisions of the State Council's regulations governing the transformation of enterprises' management mechanisms, engage in the transformation of management mechanisms, conscientiously enter the market, and grow in domestic and international competition to become a standardized industrial group and make outstanding contributions to the cause of developing socialism.

Tian Jiyun on Developing Rural Productive Forces

*OW2609213392 Beijing XINHUA Domestic Service
in Chinese 1603 GMT 25 Sep 92*

[By Central People's Broadcasting Station reporter Li Renzu (2621 0088 4371) and XINHUA reporter Tang Hong (0781 5725)]

[Text] Beijing, 25 Sep (XINHUA)—Vice Premier Tian Jiyun attended a discussion with some representatives at a national meeting to exchange experiences among rural associations (societies) for specialized technical trades today. He said: The development of rural productive forces should be the focus of our work from now on.

He said: Since the Third Plenary Session of the 11th CPC Central Committee, the party has formulated and adopted a series of correct policies and measures toward rural areas, notably the responsibility system with the main form of this being a household contract linking output to payment. These policies and measures have aroused tremendous production enthusiasm among the masses of peasants, and have instilled fresh vigor and vitality into Chinese agriculture. This is the essential factor that contributed to China's flourishing agriculture and other achievements in the 1980s. Instead of overemphasizing the need to change production relations over the next few years, we should continue to implement the party's basic policies toward rural areas—especially household contracts linking output to payment—for a long time to come. We should concentrate efforts on nurturing and developing productive forces, paying particular attention to efficiency, quality, service, and circulation. We should manage agriculture according to the concept of large-scale agriculture and develop agriculture, forestry, animal husbandry, fishery, and sideline production in an all-around manner. We should not stress quantity alone but should strive to raise output, quality, and efficiency. We should energetically promote village and township enterprises. We should also promote the service and circulation trades and go all out to develop tertiary industries in rural areas. So far, we have adhered to a relatively clear-cut path and have implemented a correct policy in developing agriculture. Along with the development of the rural economy, especially

the development of the second and tertiary industries, a large number of farm laborers are bound to be shifted to non-agricultural production, and the scale of crop cultivation will be expanded accordingly. Under such circumstances, we should make the best use of the situation by actively supporting and facilitating the wholesome development of expanded crop cultivation. However, we should by no means encourage the expansion with excessive enthusiasm against the peasants' aspirations.

The vice premier also praised the associations for their effectiveness in invigorating agriculture with science and technology. He said: In order to develop rural productive forces and attain the goal of prosperity, it is imperative to promote science and technology. Without farmers having a certain level of science and general knowledge, it is impossible to transform science and technology into productive forces. In recent years, 120,000 such associations have been established in rural areas and have formed a fresh force in keeping with the demand of developing rural productive forces. This has not only accelerated the popularization of agricultural science and technology and the transformation of scientific research results into productive forces, but also has contributed to strengthening and improving socialized services in rural areas.

Wen Jiabao also spoke, and Song Jian and Chen Junsheng were present at the discussion.

It is understood that the first associations (societies) of specialized trades and technology were founded 12 years ago. So far, membership totals 4.5 million, involving 140 specialized trades that including crop cultivation, aquaculture, village and township enterprises, and service trades. Nearly 10 percent of the associations and societies have become technical and economic entities which integrate agricultural production with technology and trade and which combine agriculture with science and education.

Three Gorges Excavation Open to Overseas Experts

OW2509103792 Beijing XINHUA in English
0933 GMT 25 Sep 92

[Text] Beijing, September 25 (XINHUA)—Overseas experts are to be allowed to join archaeological digs in the Three Gorges.

"Exploration, excavation and study of ancient graves and other cultural relics are allowed," said Meng Xianmin, an official of the State Relics Bureau in Beijing.

However, the activities should be carried out in cooperation with Chinese teams, said Meng. The cooperation projects are subject to the approval of the State Council.

The Three Gorges in the middle reaches of the Yangtze River are famous for their scenery and cultural relics. There are over 500 important sites in the valley.

Some of them are believed to have a 6,000-year history which indicates that the Yangtze River parallels the

Yellow River in archaeological importance as the birthplace of the Chinese nation.

This spring China approved a long-disputed proposal to build a hydropower project in the Three Gorges. Some of the sites will be submerged by the reservoir behind the world's largest dam.

"Field work will be difficult when the water rises," said Meng, "although some of the tombs and temples will be moved to the hills. But we have to speed up the excavations."

Another official Wang Jun said that China lacks the money and advanced technology which international cooperations may be able to offer. He added that well-known archaeologists from Taiwan and Hong Kong have shown interest.

China has cooperated with the United States and Australia in the field of under-water archaeology since the middle 1980s. The foreign side met the major costs.

Meng and Wang said that their bureau has launched an investigation of the relics in the Three Gorges which will be under threat and the results will be published this November.

They said that overseas archeologists interested in participating can contact the State Bureau of Relics.

Symposium Views Three Gorges Project, Effects

OW2709132192 Beijing XINHUA in English
1236 GMT 27 Sep 92

[Text] Chongqing, September 27 (XINHUA)—About 100 specialists attended a symposium in Chongqing to discuss the effects of the Three Gorges project of the Yangtze River on Chongqing city, one of the largest cities in southwestern China's Sichuan Province.

Jointly sponsored by the leading group of the feasibility study of the Three Gorges project, China's largest water conservancy project to be built, and Chongqing municipal government, the symposium was held from September 21 to 26.

Qian Zhengying, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, attended the symposium.

During the symposium, Qian, who is also the head of the feasibility study of the Three Gorges project, listened to the report from the experts from the Ministry of Water Conservancy, Ministry of Energy, Ministry of Communication, the State Bureau of Environmental Protection, the Chinese Academy of Sciences, Qinghua University and Chongqing city.

The experts voiced their opinions on the flood-control of Chongqing city and the Three Gorges project's effect on the ecology and environment of Chongqing city.

Qian said that the effects of the Three Gorges project will mainly be seen at the second phase of the project since the water level at the first phase of the project is relatively low.

She urged the specialists to continue their research on the effects and she said the accurate conclusion will result from the experiment on water storage at the first phase of the project.

She noted that the projects on the upper reaches of the Yangtze River and upper subreaches of the river will play a significant role in reducing the unfavorable effects of the Three Gorges project on Chongqing city.

Sun Tongchuan, mayor of Chongqing, said that as one of the major industrial bases on the upper reaches of the Yangtze River, Chongqing will tap its potential to contribute to the construction of the Three Gorges project and development of the reservoir areas.

East Region

Chen Huanyou Urges Improving Economic Results

OW2709062492 Nanjing Jiangsu People's Radio Network in Mandarin 1015 GMT 25 Sep 92

[From the "News" program]

[Text] While reviewing the work of certain localities in southern and northern Jiangsu, Governor Chen Huanyou urged all localities in the province to seize the current opportunity to accelerate development and work hard to improve economic results. Governor Chen Huanyou paid successive visits to Zhenjiang, Danyang, Zhangjiagang, Nantong, Rudong, Taizhou, Yangzhou, and other localities 19-24 September to review their work and learn about their progress in implementing Comrade Deng Xiaoping's guidelines, which he issued in his important speeches during his tour of south China, as well as the guidelines of the plenary session of the Political Bureau of the party Central Committee. Governor Chen Huanyou also reviewed work related to accelerating reform, opening to the outside world, and economic development while inspecting economic and technological development zones, industrial enterprises, and important infrastructure projects.

During the course of his inspection, Chen Huanyou pointed out: One important experience in accelerating economic development is learning how to seize good opportunities in the promotion of economic development. When an oversupply of rural labor coincided with a shift in Shanghai's processing industry during the 1960's and 1970's, the province seized the opportunity to develop village and township industries. When the state gave preferential treatment for the production of consumer goods to compensate for shortages in the early 1980's, the province seized the opportunity to bring about vast development in textile and light industry. While the strategy for developing coastal economy was being implemented in the late 1980's, the province again seized the opportunity by taking gratifying steps toward the promotion of an export-oriented economy. Now, we must firmly grasp the current opportunity to lift the provincial economy to a new level.

Chen Huanyou pointed out: While giving full play to the present initiative taken by various quarters to promote economic work and development at all levels, we should highlight the focal points and fulfill at an early date those projects that concern the overall situation and sustaining power of economic development. We should differentiate economic and technological development zones from ordinary industrial zones, and we should make them an important window to the outside world. Every city should concentrate its efforts on promptly building a successful economic and technological development zone. Those cities that feature the necessary conditions could even build several of these zones, but they must guard against a dispersion of resources and overlapping construction.

In terms of industrial production, we should make timely adjustments of product mix and avoid irrational stockpiling of finished products in response to changes in the market. In terms of technical transformation, we should, aside from increasing investment, make sure that these changes are channeled into the proper direction. It is necessary to try every possible means to raise the completion rate of proposed projects and seek economic returns as early as possible. In exploiting some strategic resources, such as those found in deepwater areas of the Chang Jiang and along the seacoast, we should carry out ample scientific experimentation, overall planning, and careful and thorough deliberations before venturing into any project in an effort to avoid unnecessary losses.

Chen Huanyou stressed that in accelerating economic development and improving economic results, it is very important to change our mentality, widen our field of vision, break through the habits and approaches shaped under the product economy of the past, and foster a new mentality suited to the socialist market economy. Economic departments and enterprises should all take greater initiative to study and keep abreast of the market situation and to master the knowledge and skills needed for developing a market economy. We should encourage more enterprises to step out of the country and directly participate in international competition, and we should encourage them to acquaint themselves with international practices. It is also necessary to further strengthen cooperation with famous multinational companies in the international market in order to introduce funds, technology, and management expertise into the province, and we should try every possible means to make use of collective trade fairs. All of this is significant to improving our overall economic situation and economic efficiency.

Zhao Zhihao on Developing Tertiary Industries

SK2509150392 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 21 Sep 92

[Text] The provincial working conference on speeding up the development of tertiary industries was held in Jinan on 21 September. The conference focused on the issues of speeding up the development of tertiary industries, positively carrying out the shareholding system, and further mobilizing the people at all levels in all trades and professions to emancipate the mind, share experiences, and work out more measures to make a new breakthrough in developing tertiary industries and carrying out the shareholding system.

Zhao Zhihao, deputy secretary of the provincial party committee and governor of the provincial government, made an important speech at the conference. Li Chunting, deputy secretary of the provincial party committee and vice governor of the provincial government, chaired the conference.

Zhao Zhihao said: Recently, the provincial party committee and the provincial government studied on several

occasions the provincial economic situation, closely analyzed the reasons it is lagging behind, and identified the weak links. The provincial situation is fairly good and the overall national economy is developing at a faster rate. The economy in advanced provinces and municipalities, however, is developing with tremendous force. We are not making a bigger stride compared to these provinces and municipalities. There are still many difficulties in developing the national economy. We have three main weak links. First, the development of tertiary industries is seriously stagnant. Second, the export-oriented economy is developing slowly. Third, the current scientific, technological, and educational situation does not meet the demand for economic development.

Zhao Zhihao pointed out: The fundamental reason for lagging behind is that we fail to emancipate the mind, have no real knowledge in guiding modernization, and have no long-term goals. Some comrades still fail to fully understand the ideology for guiding the economic work. They concentrate the economic work on industry and agriculture and do not understand or pay less attention to the tertiary industry. With a narrow field of vision, they confine tertiary industries to commodity circulation and catering services. They do not have the full understanding or great determination to pioneer the markets abroad and outside the province.

Zhao Zhihao stressed: After comprehensively analyzing the provincial and national economic situation and the demands of long-term economic development, we realize that the tertiary industry is at a turning point in speeding up its development. Now, it is time to concentrate efforts to grasp the development of tertiary industries. So, we must strengthen the sense of urgency, the sense of responsibility, and the sense of mission to speed up the development of tertiary industries; fundamentally change the thinking of ignoring tertiary industries; and put the tertiary industry in the position of primary development. In particular, the urban areas should pay most attention to this. Both the urban and rural areas should first concentrate efforts on developing the tertiary industry. Only by so doing will we be able to promote the development of primary and secondary industries.

Zhao Zhihao said: According to the provincial strategic ideology for elevating the national economy to new heights in the next 20 years, we set forth general requirements for developing tertiary industries as follows: We should comprehensively deregulate management, enliven the economy, open channels to increase the input to tertiary industry, ensure that the development of tertiary industries is noticeably quicker than the primary and secondary industries and the proportion of output value of tertiary industries in the GNP increases by 1 percent every year; and strive for faster development from a high starting point. The output value of tertiary industry should increase by 16 percent annually and account for more than 30 percent of the GNP by the year 2000.

Zhao Zhihao pointed out that we should develop tertiary industries at various levels according to different actual conditions and make ceaseless efforts to optimize regional distribution.

Zhao Zhihao said: Developing the tertiary industry is a gigantic engineering system. So, we should make a unified plan for its development, put development in a prominent position, and grasp the key points to promote the development of the overall situation. While continuing to strengthen the development of science and technology, education, transportation, postal and telecommunications service, and commodity circulation, we should provide preferential policies to vigorously develop financial, insurance, real estate, information consultation, and tourist industries with great market potential, strong capacity to guide the overall development, and high additional value; and make them really become pillar industries of the national economy.

In regard to speeding up the implementation of the shareholding system, Zhao Zhihao pointed out: In carrying out the shareholding system, we should proceed from the facts and not demand uniformity in everything. We should put forward four work priorities. First, we should immediately implement the shareholding system among a selected group of state-owned large and medium-sized enterprises and enterprise associations. We should plan to implement the system first among 50 large and medium-sized enterprises. Second, we should implement the system of staff and workers holding the stocks among small and medium-sized state and collective enterprises. We must not control the scale of stocks and must strive to have increasingly more enterprises of these kinds implement the system more quickly. Third, the newly built enterprises should implement the shareholding management system. Fourth, town and township enterprises should comprehensively implement the stock cooperation system. This system should generally be popularized among township- and village-run collective enterprises. To speed up the implementation of the shareholding system, the province determined that we should give preferential policies to the enterprises that implement the shareholding system.

Zhao Zhihao concluded: Implementing the shareholding system is related to the reform of enterprises' property right, management, distribution, and investment systems. There are great difficulties in carrying out the reform in this regard. Thus, party and government leading comrades at various levels should regard this work as important, carefully organize forces, coordinate well, and firmly attend to it.

Shanghai Improving Future Trading System

OW2709034692 Beijing XINHUA in English
0310 GMT 27 Sep 92

[Text] Beijing, September 27 (XINHUA)—The Shanghai Foreign Exchange Transaction Center

(SFETC) is improving its future exchange trading system after four of its senior executives returned from a Singapore tour on September 20.

The four, led by Wang Deshun, SFETC's director, spent four days studying the Singapore International Monetary Exchange in order to correct local futures exchange trading, which is still in trial operation.

According to Wang, there are no big problems now, but some minor corrections have to be made. He said that the exchange's general principle is the same as international practice, though it is rougher here.

He said that the swap market has been making corrections of the futures exchange trading system since it was first started in June. He said that formal operation will start when brokers and dealers are well attuned to the system and when the internal system becomes smooth.

Since futures trading started in June, some 4,000 or 5,000 contracts with one-month and two-month terms have been concluded. Each contract involves 10,000 U.S. dollars. In the spot trading sector, the world money market fluctuation last week has not at all influenced the local swap market, which is "not connected with world market price," according to Wang.

The trading price has been stable in the past few weeks, closing at 6.9220 yuan against one U.S. dollars on Tuesday [22 September], with a total trading volume of some 20 million yuan.

The balance of hard currency and renminbi, import and export and customs tariffs are considered factors influencing prices on the swap market, according to Wang, who said that declining prices on the shanghai metals exchange has also driven down prices on the swap market.

At present, trading prices on the local swap market are in the middle level in China and some 20 percent of the trading volume is contributed by companies from other provinces, mostly from the buying sector.

As the earliest and largest swap market in the country in terms of trading volume, sfetc has a flexible market mechanism.

Shanghai Gives More Powers to District Chiefs

*OW2709181992 Beijing XINHUA Domestic Service
in Chinese 2117 GMT 26 Sep 92*

[By reporters Chen Maodi (7115 3029 1717) and Luo Kangxiang (5012 1660 7160); "Shanghai's Bold Power Delegation Makes District Chiefs 'Junior Mayors'"]

[Text] Shanghai, 27 Sep (XINHUA)—The main focus of the Shanghai Municipal Government's administrative reform this year has been the delegation of powers with explicit responsibilities which has made its 12 district chiefs "junior mayors." Like releasing tigers back into the jungle, this dynamic move to delegate power has

prompted competition among various districts and pushed their economies to a new stage of development. As of the end of July, the municipality's revenues at district levels reached 2.537 billion yuan, a 5.3 percent increase over the same period last year.

The Shanghai Municipality Government began its gradual delegation of power exercise in 1985. With administrative functions being reinforced by such delegation, district governments started to play an increasingly important role in economic construction, urban management, and the development of social undertakings. In early April of this year, the municipal government further delegated powers in eight areas, including finance and taxation, planning, land, foreign trade, commercial management, management of infrastructure construction projects, personnel assignments, and price management. Among others, powers were delegated for processing and approving foreign funds of \$5 million or below; rights for fund raising, processing and approval, and reconstruction of old districts; and certain powers for the development of tertiary industry have enhanced the high-speed functions of the district governments. District chiefs, acting as "junior mayors," began sketching their great district economic and social development blueprints from a wider prospective and with a bolder approach.

In the past when the powers of planning, processing and approving land acquisition, expansion of buildings, and processing and approving business licenses remained in the hands of the relevant departments of the municipality, commercial activities in various districts were limited to a secondary role of modification and repair. And now, with the power of autonomy in hand, various district governments have been able to bring structural changes to commercial outlets with funds raised by various means. Statistics obtained from seven non-commercial areas, including Yang Pu and Hong Kou, showed that funds utilized for reconstructing commercial outlets this year exceeded total investment for the whole Seventh Five-Year Plan Period by more than 100 percent. The total renovation of over 20 famous old shops along the Nanjing Road, jointly carried out by the Huangpu and Jingzao Districts, has brought prosperity to this "First Street in China." With the renovation of the first subway as its main project, the Luwan District has sounded the bugle of "the Battle of Huaihai" by rebuilding over 300 old shops along Huaihai Road into a street of modern, multi-purpose commercial complexes with more than six times the previous business space. Currently more than 50 shops have restarted business in the new buildings—completed within a year after demolition. Zhabei District has taken advantage of the new train station by constructing, on a 6.6 square km land, a gigantic commercial, financial, and entertainment complex with round-the-clock activities. Through shares issuance, Nanshi District has managed to raise some 640 million yuan for the massive expansion of the age-old Yuyuan bazaar. Various district governments have also performed "major operations" for retail-based old commercial premises within their districts, turning them into

bigger commercial houses with more business activities. Commercial streets specializing in wholesale production, machinery and electronic products, and construction hardware also emerged in various districts.

In a bid to appropriately exercise power for processing and approving foreign funds, various district governments have been busy transforming their functions, enhancing efficiency, and promulgating preferential policies to attract investors the world over. By the end of August this year, various districts have approved a total of 209 foreign-funded projects with an agreed investment of \$88.78 million, both surpassing the total for the last decade. The majority of these drawn-in investments are industrial and export-oriented projects. Some districts have developed small preferential industrial development zones to attract investment from enterprises in other districts or localities. A total of 24 enterprises from other localities have "settled down" themselves in the Putuo District within a span of 24 days; while over 40 scientific and technological units and colleges have moved to the Changning District's new technological development zone. Some districts have plans to hunt for new cooperative partners overseas.

The delegation of powers with explicit responsibilities has brought breakthroughs in solving the issue of reconstructing the old districts. Currently there are 3.65 million sq meters of dilapidated and simply constructed houses in Shanghai, with another 11 million sq meters of old houses rated as second class and below being found in old lanes and alleys. In the past, due to fund shortages, the reconstruction of Shanghai's old districts remained a difficult task. With power delegated to district governments to lease land, the solution to the problem is in sight. Various district governments have successfully raised funds for reconstruction through various forms of association between districts, districts and counties, districts and other localities, and districts and overseas businessmen. As of the end of August, 860,000 sq meters in 10 districts have been approved for demolition and resettlement, of which dilapidated and simply constructed houses accounted for about 370,000 sq meters or 40 percent, while second-class old back lane houses accounted for the other 60 percent. A total of 26,000 residents will move to the new houses.

Emergency Meeting on Typhoon Relief Work Held

OW2609142992 Hangzhou Zhejiang People's Radio Network in Mandarin 1030 GMT 26 Sep 92

[From the "Provincial News Hookup" program]

[Text] The provincial government today held an emergency meeting to make arrangements for relief work after Zhejiang was hit by another typhoon. Governor Ge Hongsheng, Vice Governors Xu Xingguan and Cai Songyue, as well as officials of the provincial departments concerned attended the meeting.

The meeting held that in the struggle to combat typhoon no. 19, leaders at various levels had set a good example,

and basic-level cadres, party members, and members of the Communist Youth League [CYL] hard worked hard in the forefront, organizing and guiding the masses to fight the typhoon. Displaying the work style of fearing no hardships and difficulties and of providing relief in unity, which they had displayed in combating floods, they were able to reduce the damage caused by the typhoon to a minimum.

The meeting called on party committees and governments at all levels to display a high sense of responsibility, to speedily organize relevant departments to arrange for the lives of the victims, to organize cadres and the masses to quickly restore production in the disaster-stricken areas by repairing the projects destroyed by the typhoon.

Ge Hongsheng and Xu Xingguan made important speeches at the meeting. They called on all areas to conscientiously learn from experiences and lessons, strictly implement the water law, and further strengthen the construction of water conservation projects so as to increase the province's capacity to combat big floods. In the next three years, important areas along the sea should complete the construction of standard sea walls. Scientific plans should be made to speedily strengthen the embankments along Jinhua Jiang, Nan Jiang, and Qi Jiang. River and canal channels in various areas in the province must thoroughly cleared of obstacles. Whoever causes river and canal channels to be obstructed will be asked to clear them of obstacles. All areas should regard water conservation projects as an important undertaking and start building water conservation projects after the end of fall this year.

Wan Xueyuan Elected Zhejiang Vice Governor

OW2809053592 Hangzhou Zhejiang People's Radio Network in Mandarin 1030 GMT 26 Sep 92

[From the "Provincial News Hookup" program]

[Text] The 30th session of the Seventh Zhejiang Provincial People's Congress Standing Committee, which ended today, adopted by secret ballot the appointment of Wan Xueyuan as vice governor of Zhejiang Province. Wan was nominated by Governor Ge Hongsheng and the nomination was submitted to the session for approval in accordance with Article 39 of the Organic Law of the Local People's Congresses and Local People's Governments at Various Levels of the People's Republic of China. Wan Xueyuan was secretary general of the Shanghai municipal government and director of its general office.

Central-South Region

Guangdong Tertiary Industry Attracts Investment

OW2609021792 Beijing XINHUA in English 0136 GMT 26 Sep 92

[Text] Guangzhou, September 26 (XINHUA)—Tertiary industry in southern China's Guangdong Province is attracting more and more foreign investment.

According to the statistics of the Guangdong Industrial and Commercial Administration, foreign investment in the tertiary industry in the first eight months increased from last year's 15.8 percent to 20.1 percent of the total investment.

During the January-August period, 377 foreign-funded enterprises involved in tertiary industry have registered in Guangdong Province, with a total investment of 3.72 billion U.S. dollars, an increase of 150 percent and 320 percent over last year.

The investment in the tertiary industry amounted to five times than that in the secondary industry. Three real estate companies registered in August involve an investment of 240 million U.S. dollars.

The newly registered enterprises cover commerce, real estate, tourism, communication and transportation, science and technology assistance.

Some enterprises increase their businesses by combining domestic and international trade, real estate, warehouse storage charges, information and catering together.

Experts said the tertiary industry can be the criterion of modernization of economy.

Last year's total output value of the service trades accounted for 34.5 percent of the gross national product of Guangdong Province, above the national average level.

Guangdong Province still shapes its course of tertiary industry as luring more foreign investment.

Guangdong Inland Economic Cooperation Viewed

OW2609054292 Beijing XINHUA in English
0506 GMT 26 Sep 92

[Text] Guangzhou, September 26 (XINHUA)—Economic co-operation between southern China's Guangdong Province and inland China has developed rapidly in recent years.

To date other provinces in the country have set up 946 offices in Guangzhou, capital of Guangdong, 717 of which have made investments totalling 1.8 billion yuan (about 333 million U.S. dollars) in Guangzhou.

Statistics show that southwestern China's Sichuan Province has set up more than 400 enterprises in Guangdong's Shenzhen, Zhuhai, Guangzhou and Dongguan cities, which involve the investment of 345 million yuan (about 63.89 million U.S. dollars). The industrial output value of Sichuan's enterprises make up 9.6 percent of Shenzhen's total.

By the end of last year, the Shenzhen Special Economic Zone contained 4,000 enterprises established by other provinces worth 4.8 billion yuan (about 889 million U.S. dollars). Zhuhai, another special economic zone, has 1,392 similar enterprises involving the investment of 2.5 billion yuan (about 463 million U.S. dollars).

Guangdong's export-oriented economy and investment environment have been greatly promoted during the past decade and have attracted the inland areas to invest, according to economists.

Central China's Hunan Province is the largest seller in Guangdong's market. The total volume of agricultural by-products, industrial raw materials and other commodities which Hunan sells to Guangdong reaches 6 billion yuan (about 1.11 billion U.S. dollars) each year. In addition it has sent more than 1 million workers to Guangdong.

Some inland provinces use Guangdong as a passageway connecting with the outside world. So far Sichuan's enterprises in Guangdong have imported over 40 million U.S. dollars of foreign funds and advanced equipment valued at more than 100 million yuan (about 18.5 million U.S. dollars).

Each year Guangdong ports export over 1,000 commodities made by the inland areas valued at 2.1 billion U.S. dollars.

Meanwhile, Guangdong has established some raw materials bases in the Xinjiang Uygur Autonomous Region, Henan, Yunnan and other provinces. During the 1987-1991 period, it invested 1.14 billion yuan (about 211 million U.S. dollars) in the construction of raw materials bases in inland China.

Further on Inland Expansion

HK2809044592 Beijing CHINA DAILY in English
28 Sep 92 p 1

[Report by staff reporter Li Zhuoyan: "Guangdong Will Extend Its Open Zones to Interior"]

[Text] Guangzhou—Guangdong Province, the pioneer of China's reform and opening drive, is extending its open areas from the coast to the province's mountainous inland region in the inception of a new round of economic expansion.

Guangdong's Governor Zhu Senlin announced in a news conference on Saturday [26 September] that the State Council has decided to add three cities of Shaoguan, Heyuan and Meizhou in the north and northeast mountainous areas of Guangdong as the country's newest open economic areas, along with the Daya Bay area of Huizhou and Nanshadao of Guangzhou as economic and technological development zones.

"This is one of the State's new incentives to further expedite the opening of Guangdong," Zhu said.

With this move all 20 cities in the province have been listed as "open areas."

"But this is not mere change in terms of quantity," Zhu pointed out. "It indicates the reforms spreading towards the mountainous area in the north, thus opening up the whole province."

Since the birth of the three special economic zones—Shenzhen, Zhuhai and Shantou—in 1980, three levels of open areas (special economic zones, coastal open cities and coastal open regions) have emerged in the province in the wake of the State Council's decision to enlarge Guangdong's open areas in 1984 and again in 1988.

This pattern of opening led to economic take-off in these areas and made them the focus of investments from both home and abroad.

"But there is a gap in economic development between the province's mountainous areas and its coastal areas," Zhu said.

The mountainous areas, covering 64 percent of the province's total area and making up 41 percent of its population, contributed only 10 percent of its total industrial output and 2.5 percent of its exports.

However, a new trend is seeing overseas investment moving to the north as the improved investment climate, the cheap labour and land, and abundant natural resources there begin to lure foreign investors.

"I believe the listing of the areas as open regions will greatly encourage this trend," Zhu predicted.

The province will gradually shift labour-intensive industries from the coast to these regions and meanwhile help them to develop some high-grade export-oriented businesses.

The establishment of the Daya Bay and Nanshadao economic and technological development zones also has strategic importance in economic development.

Both of them will use deepwater harbours and vast tracts of land to tap large-scale industrial projects.

Guangdong's industrial output between January and August grew by 28 percent to 166.4 billion yuan (\$30 billion), exports by 37 percent and actual use of overseas investment by 83 percent.

This year, Zhu said, there is a new momentum of prosperity in the province's economic development.

"This momentum promises good prospects for potential foreign investors in Guangdong," Zhu said.

Secretary Urges Developing Tertiary Industry

HK2509112292 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 18 Sep 92

[Excerpts] Participants in the regional conference on expediting tertiary industry concluded their first phase of investigation activity yesterday and held a full meeting at the regional government assembly hall today.

The main tasks of the meeting are to study and carry out the decision made by the CPC Central Committee and the State Council to speed up development of tertiary

industry, to analyze and exchange experience in developing tertiary industry in Guangxi, and to formulate policies and measures for accelerating development of tertiary industry in order to elevate Guangxi's economy to a new level at an early date.

Regional party committee Secretary Zhao Fulin made a speech at the meeting entitled: Seek Unity of Thinking and Change Concepts To Speed Up Development of Tertiary Industry.

In his speech, Zhao Fulin said: Since the Third Plenary Session of the 11th CPC Central Committee, with the deepening of reform and opening and with the economic field coming to life, Guangxi's tertiary industry has made fairly rapid progress. In 1991, the incremental value [as heard] accrued from tertiary industry hit 11.934 billion yuan, up 194 percent as compared with 1978. The annual average growth rate was 8.64 percent. The proportion of tertiary industry's incremental value in the GNP increased from 25.26 percent in 1978 to 26.34 percent. The personnel engaged in tertiary industry reached 3.165 million and their percentage in total social labor grew from 9 percent in 1978 to 14.4 percent. However, generally speaking, Guangxi's tertiary industry is still rather backward. To comprehensively and rapidly develop Guangxi's tertiary industry, we must define the goals to be attained in light of our actual conditions and focus on key points. In the Eighth Five-Year Plan and the next 10 years, the growth rate of Guangxi's tertiary industry must be higher than that of its primary and secondary industries, higher than the national average growth rate of tertiary industry, and higher than its own growth rate in the past. The proportion of tertiary industry's incremental value in the GNP should reach 30 percent in 1995 and more than 35 percent in 2000. The percentage of personnel engaged in tertiary industry in the total work force should be 20 percent in 1995 and 25 percent in 2000. For a certain period to come, tertiary industry should focus on developing communications and transportation, postal and telecommunications services, the commodity circulation industry, banking, tourism, the real estate industry, science, technology, and education.

Zhao Fulin stressed: The key to developing tertiary industry lies in reform. It is necessary to mobilize the whole society to develop tertiary industry. The government, collectives, and individuals should go into action simultaneously. The government should focus on developing basic trades and carrying out pillar projects. We should even mobilize the general public to run those trades which call for a high degree of monopolization and unification and should introduce a competition mechanism while subjecting the trades to unified management and planning. We should encourage collectively run enterprises in urban and rural areas, individual industrial and commercial operators, and private enterprises to develop those labor-intensive tertiary trades that requires less input, promise quick returns, and directly serve production and the people's daily life. We should also encourage enterprises engaged in tertiary

industry to annex those industrial enterprises which have closed down, suspended operation, amalgamated with other enterprises, or switched to the manufacture of other products in other departments, other trades, and other areas; to broaden their horizons; and to carry out reforms and experiments in various forms. The state-owned enterprises engaged in tertiary industry should transform their operational mechanism without delay and make themselves commodity producers and managers who are truly responsible for their own management decisions, profits, and losses, and who practise self-restraint and develop on their own initiative. They should adequately utilize the market mechanism, give play to the role of the law of value, and apply different methods of operation or techniques of management to trades with different characteristics and natures. [passage omitted]

In conclusion, Zhao Fulin said: Guangxi's tertiary industry has presently entered a high-speed development period. All levels of leading cadres must seize the favorable opportunity, take the lead in emancipating the mind and changing concepts, properly utilize the party's policies, apply set measures to the letter, and create favorable conditions and a sound environment to step up development of Guangxi's tertiary industry.

'Rumor' of Shenzhen Leader Transfer 'True'

HK2709074792 Hong Kong CHING CHI JIH PAO in Chinese 17 Sep 92 p 3

[“Special dispatch” from Shenzhen by special correspondent Chang Hua (1728 5478): “There Will Be Personnel Changes in the Shenzhen Leadership—Zheng Liangyu Is Said To Be Transferred Away From Shenzhen After the 14th Party Congress”]

[Text] The rumor about the transfer of Zheng Liangyu from his office in Shenzhen after the stock unrest has now been basically proved to be true. Shenzhen Mayor Zheng Liangyu will leave his current position after the 14th Party Congress, and his new post may be a leading position in the foreign trade department in Beijing or Jiangsu's vice provincial governor.

According to sources in Shenzhen, the central authorities originally wanted to transfer Li Hao away from Shenzhen, but seeing that Li Hao was close to the retirement age, they finally decided to transfer Zheng Liangyu away from Shenzhen.

Zheng Liangyu took office as Shenzhen's fifth mayor in late 1990. He was “selected” by the central authorities not only because of the stock chaos in Shenzhen. Some people in Shenzhen secretly filed a complaint to the central authorities against him, saying that he did not make major achievements during the two years in the mayor's office, and did not take effective action against corruption in Shenzhen, which was getting more and more serious. On the other hand, ordinary people in Shenzhen just regard him as a mediocre official.

It is said that after Zheng Liangyu became mayor of Shenzhen, the “Gang of Guangdong” originally under Li Hao's leadership did not obey and respect Zheng. Although Zheng was assisted by executive vice mayor Wang Zhongfu, the two “outsiders” still could not effectively command the “Gang of Guangdong.” It is said that Zheng Liangyu also deeply felt the “complicated interpersonal relations” and the “difficulty” in doing what he wanted to do.

Zheng Liangyu was transferred to Shenzhen from the position of party secretary in Xuzhou City. Before that, he taught as a lecturer in a university, and worked as secretary general of the Suzhou City Government and director of the Jiangsu Provincial Foreign Affairs Office. This time, if he is transferred to Beijing or Jiangsu, the job change will be a promotion for him.

Southwest Region

Guizhou Secretary at Security Work Conference

HK2509153192 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 18 Sep 92

[Excerpt] The provincial security work conference that ended in Guiyang yesterday, stressed the need to accomplish five tasks in carrying on security work under the new situation so as to better serve economic construction, reform, and opening to the outside world.

Provincial party committee Secretary Liu Zhengwei and Miao Chunling, provincial Chinese People's Political Consultative Conference chairman, attended.

Zhang Shukui, provincial party committee standing committee member and vice governor, delivered a speech at the meeting.

(Wang Shiqi), provincial party committee standing committee member and provincial party committee secretary general, focused, in his speech, on the five tasks to be accomplished in doing security work well.

1. Conduct education on security work effectively. All levels of party organizations must combine education on security work with education in the situation, law and discipline, patriotism, and basic socialist theory in light of actual conditions. In conducting the education, they should stress the main points, make sure their work plans are to the point, and strive for practical results. All levels of party schools and cadre schools as well as institutions of higher education should gradually inaugurate courses in security work.

2. Truly focus on key points in carrying on security work. We should first of all keep effective tabs on security work concerning leading cadres and key departments. Leading cadres must subject to discipline personnel working at their side as well as their relatives and children. They must also manage well the units and departments under their charge.

3. Carry out rules and regulations regarding security work to the letter. All units and departments must conscientiously study and strictly carry out Guizhou's detailed rules and regulations for guarding state secrets and establish and improve security systems. Cases of leaking of state or party secrets must be investigated and acted upon according to law.

4. Develop well the contingent of security personnel. It is necessary to add to the existing security crew necessary full-time or part-time security cadres and keep the organizational structure relatively stable. Security cadres must familiarize themselves with relevant statutes, guidelines, and policies to improve their capability to carry on security work according to law.

5. Carry through security work organizationally. All localities and departments must put a leading cadre in charge of security work. All levels of party committees, governments, and security committees must perform their own duties and keep an effective grasp on security work in the areas and departments under their jurisdiction. [passage omitted]

Sichuan Three-Stage Strategy Observed

*OW2609021592 Beijing XINHUA in English
0124 GMT 26 Sep 92*

[Text] Chengdu, September 26 (XINHUA)—All cities and counties in Sichuan, the most populous province in China, have adopted preferential policies and measures similar to those in coastal cities to attract investors.

The provincial authorities reported that cities and counties have established over 200 industrial development parks, agricultural development zones, high-tech development parks, tourism resorts and economic development zones to attract domestic and overseas investors. In addition, districts and townships have opened their own manufacturing centers or parks for domestic or foreign investors.

The province approved 308 foreign-funded enterprises with a total contractual foreign investment of 200 million U.S. dollars, representing a 2.7 times and 5.9 times increase over the same period last year.

Local officials reported new development zones along the Chengdu-Chongqing expressway and the Yangtze River will call for a total investment of over 10 billion yuan to develop agriculture, industry, commerce and tourism.

According to the plan, the southwest airport economic development zone in Shuangliu County will cover eight square km and become a satellite town with an annual output value of two billion yuan on the outskirts of Chengdu by 2000. So far, 103 businesses have negotiated with local firms on cooperation.

The Leshan tourism resort, which is famous for the largest rock Buddha and scenery of Emei Mountain, will

cover 20 square km and consist of 60 large tourism, sports and recreational projects in addition to hotels and restaurants.

"Triple-Jump" is a bold strategy for Sichuan to enter the world market. The first step will prompt the local enterprises to the coastal areas to set up manufacturing and trading centers there; in the second step, the local firms will set up industrial and commercial entities in surrounding countries; and the third step means that the local firms will enter European and American markets.

The first step of the strategy has been carried out smoothly so far. Nearly 1,000 enterprises have branched off in Shenzhen, Zhuhai and Hainan. The 275 Sichuan-financed enterprises in Shenzhen now produce about 10 percent of the total output value of the special economic zone.

Some cities, prefectures and enterprises have jointly invested 2.8 billion yuan in Beihai city of the Guangxi Zhuang Autonomous Region to build the Sichuan International Trade Center.

The second step of the bold strategy also shows a good start. In the first seven months, the province exported over 100 million yuan of goods to the surrounding countries through Yunnan and Heilongjiang Provinces, Guangxi and Xinjiang Regions.

Sichuan also signed contracts on 99 construction projects with foreign countries in the first half of this year and its labor service earned 140 million U.S. dollars. Its mercantile exports reached 803 million U.S. dollars in the first seven months, representing a 4.6 percent increase over the same period of last year. Those also pave the way for implementation of its third step of the strategy.

Party Policy on Religion Reportedly Supported

*OW2609164992 Beijing XINHUA in English
1550 GMT 26 Sep 92*

[Text] Lhasa, September 26 (XINHUA)—Under the leadership of the Communist Party of China, Tibetans enjoy full freedom of religious belief, and the party's policies have been well implemented throughout the Tibet Autonomous Region.

This remark was made by a group of top religious figures in Tibet at a talk held today in this capital of the autonomous region between local religious people and State Council officials specially despatched here to attend the bed-sitting ceremony for the 17th geymaba lama which will be held tomorrow.

According to Cemolin Danzenqele, deputy chairman of the regional branch of the Buddhist Association of China, since the early 1980s the central government has allocated large amounts of funds to repair over 1,000 temples and publish religious works.

Ren Wuzhi, director of the State Council's religious affairs bureau, praised the role played by the local religious leaders in safeguarding the unity of the country and developing the local economy.

It is a long-run, basic policy of the party to respect and safeguard freedom of religious belief, Ren said. The policy will be consistently carried out so as to keep the stability and continuity of the policy, he added.

Ren noted that the 17th gaymaba lama will be the first incarnation of living buddha chosen by the Tibetan religious authorities with approval from the central government since the founding of the People's Republic of China in 1949.

Also present at the meeting were a number of regional party, government and religious leaders.

Progress Reported in Reform, Opening Up in Tibet

OW2709142492 Beijing XINHUA Domestic Service
in Chinese 2116 GMT 25 Sep 92

[By reporters Miao Fanzu (5379 0416 0586) and Wu Hao (0124 4110)]

[Text] Lhasa, 26 Sep (XINHUA)—The Tibet Autonomous Region has taken the most active and firm step in carrying out the policy of reform and opening to the outside world since the beginning of this year. All economic development projects are implemented in a comprehensive way. Great progress has been made in expanding border trade, in inviting foreign investment and engaging in cooperative projects with other provinces, and in promoting tertiary industry. As a result, Tibet has succeeded in making a breakthrough in reform and opening to the outside world.

The rapid economic growth in inland China since Comrade Deng Xiaoping made the remark during his southern China trip serves as a stimulant for Tibetans. In July and August, the autonomous region introduced a series of policies concerning reform and opening up, inviting domestic and foreign investment, promoting township enterprises, developing tertiary industry, and changing enterprises' management mechanism. Major trades—such as tourism, commerce, and financial institutions which have a vital bearing on the economic development in Tibet—have introduced their own plans for reform. In addition, all prefectures and cities, in light of their advantages, have spared no efforts in searching for business opportunities and cooperation projects.

Border trade has become a breakthrough point for Tibet in its efforts to open to the outside world. With a 3,800-km border with the South Asian region, Tibet has four traditional border trading stations and more than 20 seasonal border trade points. In just this year, 10 counties and border trading stations along the borderline have established border trade zones and export-oriented economic development zones. On 15 July, the Burang border trade station and its Indian counterpart, Gonji Ci

(6300 5412), opened their customs offices simultaneously. Yamarong (0068 7456 2837), Dalong (6671 7127), and other border trading stations opened one after another. Individuals, collectives, and state-owned enterprises are all allowed to be engaged in border trade in Tibet. Traditional barter trade between peoples living on the both sides of the border is now quickly giving way to economic and trade cooperation between governments. For the first time in 30 years, Tibet sent a government delegation to visit India this June. Tibet and Nepal held a high-ranking economic and trade meeting in Lhasa in September. The fact that Tibet's neighboring trade partners are relatively backward in terms of their economic situation provides an excellent opportunity for Tibet to develop its border trade. Tibet's local and animal husbandry products and light industrial products from inland China began to pour into South Asia's markets, enabling Tibet to change from a remote and frontier region to a window through which China's commodities and technologies are exported to the sub-continent of South Asia.

Meanwhile, Tibet has spared no efforts in inviting foreign investment and in engaging in cooperative projects with other provinces. In August, the local government announced 15 such projects with a total investment of 400 million yuan. To create a favorable investment environment, the government formed an office to handle investment affairs. Many measures taken by Tibet have aroused the interest of investors at home and abroad. In June, representatives of 10 foreign banks in Beijing visited Tibet to investigate the investment environment here. Many businessmen from Hong Kong and Taiwan came to discuss plant projects here. Investors from other parts of the country pour in to engage in many cooperation projects, such as building industrial plants and developing regional resources. At present, the construction of the Lhasa Light Industrial Zone—a 157 million-yuan project jointly sponsored by the Ministry of Light Industry and Lhasa city—is under way. It is expected to be completed in 1995.

The development of tertiary industry is noticeable. Tourism, a major industry in Tibet, enjoys rapid growth. The number of tourists visiting Tibet in the first half of 1992 increased by 41 percent over the same period last year. To compete with individual industrial and commercial households in the region, state-owned commercial departments began to improve their management, establish various kinds of markets, and enhance the awareness of the importance of competition. Meanwhile, new trades such as information and consultation, technical service, and community service begin to emerge, making tertiary industry more complete in its range. Various kinds of service industries began to expand their business from cities and townships to agricultural and pastoral areas. It is predicted by a relevant department that tertiary industry will enjoy the most rapid growth in Tibet in next few years.

North Region

Shijiazhuang Makes Capital Investments Progress

OW2709034892 Beijing XINHUA in English
0300 GMT 27 Sep 92

[Text] Shijiazhuang, September 27 (XINHUA)—Shijiazhuang, capital of north China's Hebei Province, has made rapid progress in the construction of infrastructure projects to accommodate more foreign funds.

The capital of Hebei Province was formerly Tianjin, a seaside port city which was later made directly under the administration of the central government. At the end of the 1970's, Shijiazhuang city was made the provincial capital. This means that the new capital needs a lot of efforts in infrastructural construction to meet its new function.

Only in the 1990's, the new capital city has taken shape, and it immediately started to catch up with other capital cities in economic development, using the geographical advantage of being adjacent to Beijing and Tianjin cities.

With the opening of the Beijing-Shijiazhuang expressway, a group of trade centers, including the China Textile Products Trade Center, China Building Materials Trade Center, China Sugar, Tobacco, Wine and Foodstuffs Trade Center, China Electric Instruments and Equipment Trade Center and the North China Automobile Trade Center have taken shape here.

Early this year, with a total monthly business volume standing at over 100 million yuan, the Xinhua Bazaar and Nansantiao Small Commodities Wholesale Market have been listed as the two of the 10 leading bazaars in the country.

Plans are being worked out at the state level to set up the north China grain market, and futures markets for textile products and medicines.

Since 1991, especially since the opening of the city in May this year, foreign investment has been increasing steadily.

In early May the city government held two news conferences on projects to absorb foreign investment, at which 53 contracts were signed involving 180 million U.S. dollars in investment.

Statistics show that by September 10 the city had signed 180 investment contracts this year, involving 820 million U.S. dollars.

So far, a high-tech development zone on the western outskirts of the city, one of 27 such zones in the country, has attracted 190 state, provincial and municipal scientific and technological enterprises, and some 280 high-tech programs are undergoing smooth development. In 1991 the total income from technological development, industrial production and trade in the zone reached 220 million yuan.

Since 1991 a group of small industrial zones involving electronics, garments and development of high technologies have also been set up round the city. Moreover, a group of specialized markets dealing in daily-use commodities, finance and securities, technologies, labor services and real estate development have also opened for business.

In early September the construction of the Shijiazhuang airport, the largest airport in north China, started. The airport will connect the city with 14 major airports in China as well as in Japan, the Republic of Korea and Southeast Asian countries.

On September 20 the city was directly linked with 1,122 domestic cities and towns and more than 170 countries and regions worldwide with the opening of telephone switchboards controlling 51,000 program-controlled lines, imported from Japan. The number of telephones in the city has reached 110,000.

Hebei's Industrial Output Rises in First Half

SK2809101992 Shijiazhuang HEBEI RIBAO
in Chinese 16 Sep 92 p 1

[Summary] In the January to August period of 1992, the total output value realized by the industrial enterprises at or above the township level reached 70.19 billion yuan, an increase of 15.9 percent over the same period of last year; their sales output value reached 65.88 billion yuan, an increase of 19.7 percent over the same period of last year; and their profits reached 5.952 billion yuan, an increase of 39.6 percent.

As of the end of August, 376 budgetary industrial enterprises suffered losses, an decrease of 115 compared with the same period of last year; and the amounts of deficits totaled 269 million yuan, a decrease of 109 million yuan compared with the same period of last year.

Northeast Region

Sun Weiben Attends CYL Committee Plenum

SK2709075392 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 26 Sep 92

[Text] At the first plenary session of the ninth provincial committee of the Communist Youth League [CYL] held on 26 September, Song Enhua was elected secretary of the ninth provincial CYL Committee; and (Zhao Changqing), (Qin Yuhai), (Gao Zhijie), (Meng Qiangjun), and (Xia Lihua) were elected vice chairmen of the committee. On behalf of the ninth provincial CYL Committee, the newly elected Chairman Song Enhua made a speech entitled "Strive to Build the Committee Into a Strong Core of Leadership of the Province's CYL Organizations."

On behalf of the provincial party committee and the provincial government, Xie Yong, Standing Committee member of the provincial party committee and secretary of the provincial political and legal committee, made a speech

on how to enable the province's young cadres to grow rapidly. Provincial leaders Sun Weiben, Shao Qihui, Tian Fengshan, Zhou Wenhua, Ma Guoliang, Wang Haiyan, and Meng Qingxiang attended the session.

Conference on Reducing Stockpiles Concludes

SK2609031092 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 24 Sep 92

[Text] While addressing the provincial conference which ended today on restricting the production of slow-selling or overstocked goods, reducing excessive stockpiles, ending deficits, and increasing profits, Vice Governor Cong Fukui pointed out: It is necessary to adopt rigid measures to strengthen the sales of goods, resolutely stop or restrict the production of slow-selling or overstocked goods, guarantee the fulfillment of the state-assigned task of handling 1.17 billion yuan worth of stockpiled goods within the year, and realize the target of ending deficits and increasing profits set by the provincial party committee and the provincial government.

It was learned that funds tied up by manufactured goods produced by industrial enterprises across the province, by goods shipped in transit, and by receivable and advanced payment for goods totaled more than 27.4 billion yuan, increased by 13.86 percent during the first half of this year. In spite of a notable decline in the total amount of the three categories of funds of industrial enterprises in July and August, however, the task of meeting the annual target of restricting production of goods that sell slowly or are overstocked and reducing excessive stockpiles remains arduous. Because of this, Vice Governor Cong Fukui called on all prefectures and cities and all competent industrial departments to reorganize production and be guided by the market, expand the product sales, increase production of products that sell well, and restrict production of products whose sales are mediocre, and stop production of goods that sell slowly. We should conscientiously define the responsibility of ending deficits and implement measures to turn deficits into profits, set up the fund to help end deficits, attend to readjusting the trade structure and the product mix of money-losing enterprises, and concentrate energy on grasping work related to major money-losing and profit-making enterprises. Principal leaders at all levels should attend to this work personally, firmly, and carefully, and should realistically help enterprises solve practical difficulties to promote coordinated and sound economic development in our province.

Jilin Officials Hold Forum on Private Economy

SK2409112692 Changchun JILIN RIBAO in Chinese
16 Aug 92 pp 1, 2

[By reporter Fu Hongzhi (0265 3163 1807): "The Jilin Provincial Government Holds Forum on Speeding Up Development of Private and Individual Sectors of Economy"]

[Text] Participants in the provincial forum that ended on 15 August on speeding up development in private and individual sectors of the economy, came to a common understanding to "further emancipate the mind, eliminate 'leftist' influence, boldly encourage and support development of private and individual sectors of the economy, and promote raising the provincial economy to a new stage."

The two-day forum was sponsored by the provincial government. Nearly 40 representatives of individual and private enterprises from various parts of the province, responsible persons of relevant provincial departments, directors of some city and district industrial and commercial bureaus, and relevant specialists and scholars participated in the forum.

Gao Yan and Liu Xilin attended and addressed the forum. Responsible comrades of the state industrial and commercial bureau also attended and addressed the forum.

After analyzing means to develop individual and private sectors of the economy, the forum pointed out that through the efforts made over the past decade since the implementation of the reform and open policy, the province has rapidly restored and developed the individual sector of the economy. Incomplete statistics showed that in 1992, there were 312,000 households and 444,000 employees working in households, a 125-fold and 115-fold increase over 1978. Private enterprises began being established in 1981. As of 1991, there were more than 30,000 people working at 2,026 private enterprises. The combination of these two non-public sectors of the economy are signs that a new economic pattern in which various sectors coexist with the public sector of the economy to play dominant roles has been achieved, that urban and rural markets are brisk, and that the development of the economy has been promoted.

Our province, however, still lags behind provinces advanced in developing the individual and private sectors of the economy. We have yet to catch up with the national average in some areas. There are some reasons for this. First, the individual and private enterprises are small in number. Second, these enterprises are developing at a slow speed. Third, they comprise but a small portion of the economic structure.

The participants maintained at the forum: The backward situation of individual and private enterprises is a matter relating to the overall situation. It is not only an internal indicator of insufficient economic vitality but also a weak link affecting the acceleration of economic development. Therefore, vigorously developing the individual and private sectors of the economy is of extreme significance to promoting economic development and achieving the goal of raising the economy to a new level.

At the forum, the participants deeply discussed the provincial government's "several regulations on speeding up the development of the individual and private sectors of the economy." The participants said

with deep feeling that they never expected the provincial party committee and the provincial government to emancipate the mind in this way, to place such great expectations on individual households and private enterprises, and to work out such relaxed policies. They took turns expressing that they would take full advantage of this opportunity, eliminate misgivings, strive to accomplish something on the larger scale of enlivening the economy, and make contributions to raising the provincial economy to a new stage.

According to the provincial party committee and the provincial government's "decision on speeding up the pace of reform and opening up and raising the provincial economy to a new stage," Liu Xilin, vice governor of the provincial government, put forward challenging goals for developing individually-owned industrial and commercial enterprises and private enterprises in the next three years and asked that the number of private and individual enterprises, the number of employees, the amount of registered capital, the industrial output value, and business volume to be increased by 20 percent.

Some people are still prejudiced and confused by "leftist" ideology about the role of the private and individual sectors of the economy. Liu Xilin responds: Is the development of private and individual sectors of the economy a measure against state and collective enterprises or a measure to promote state and collective enterprises? Does the advent of a fairly well-off class of people who are owners of individual industrial and commercial households and private enterprise in fact cause polarization, or does it mobilize people's awareness of a commodity economy and promote the search for common wealth? Does the development of private and individual sectors of the economy disturb the economic order or does it enliven the economy? Answers to these questions confirm that private and individual enterprises have in fact made contributions to developing productive forces, creating social wealth, accumulating construction funds, widening circulation channels, and enlivening the economy.

In regard to the issue of implementing the provincial government's several regulations on speeding up the development of private and individual sectors of the economy, Liu Xilin stresses:

First, we should create conditions for equal competition. Under unified industrial policies, we should adopt one set of economic policies for the different sectors of the economy of the same areas. We should pay equal attention to and apply the same economic levers and administrative and management measures to both private and individual enterprises and state and collective enterprises. Only then will we be able to encourage managers of various sectors of the economy not to be swayed with competition in making developments, and trying all possible means of applying advanced technology to improve management and quality of personnel. To create conditions for equal competition, all functional departments under the governments should straighten

out current policies, revise those that need revision, abolish those that should be abolished, and carry out those that should be implemented. We should have the daring to engage in practice and make explorations, strive to create a situation, and take steps forward.

Second, we should open channels for changing ownership of enterprises. We should adopt various means of selling enterprises with histories of poor management, small profits, or losses. At the same time, individual industrial and commercial households and private enterprises should be encouraged to purchase these enterprises. All localities should open the market for transferring property rights so as to convenience buyers and sellers and allow the implementation of an enterprise management system whose shares are owned by individuals. In this system, enterprises are allowed to sell parts of property to staff and workers based on the methods of payment by lump sum or by installments following assessment by state property management departments. State and cooperative commercial retail sales centers are also allowed to change ownership through these channels.

Third, we should encourage the development of export-oriented enterprises in which the state, collectives, and individuals are allowed to take part in developing the export-oriented economy. All departments concerned should give the green light for individuals to do business abroad. Private enterprises owned by an individual or by several individuals who are issued licenses should be allowed to develop export-oriented economy. The individual industrial and commercial households and private enterprises should be encouraged to use the "windows" of enterprises with import and export rights so their commodities can access foreign countries.

Fourth, we should open economic development zones mainly consisting of private businesses. Some counties with weak industrial foundations and insufficient financial incomes may undertake the first part of opening such economic development zones to attract foreign investors and to accelerate development.

Fifth, we should enhance organizational leadership. Regarding organizational coordination as a duty, governments at all levels must pay great attention to the development of individual and private enterprises, improve organizational coordination, and incorporate such coordination into their daily schedule. Efforts should be made to implement the plan towards this goal and various localities should formulate their own development plan in this regard. We need to take charge in policy implementation by having departments involved in the enforcement of policies doing so to the letter and refraining from shifting responsibility onto others or disputing over trifles. Departments handling official business and supervisory affairs under all government levels should realistically and successfully carry out supervision and inspection of policy enforcement. In line with the principle favoring development, various localities should masterfully summarize their experience and boldly pioneer the road of advancement by creating new

things. Development responsibilities need to be relegated to various departments. The government should regularly discuss ways of dealing with knotty problems that arise in the process of development. The departments of industry and commerce, tax affairs, public security, labor affairs, urban construction, and banking, should fulfill their duties and foster cooperation so as to implement the policies in a down-to-earth manner.

During the forum, Comrade Gao Yan delivered a summary speech in which he said: Following the work conference sponsored by the provincial party committee, units throughout the province at all levels have become more enthusiastic and are racing with one another to develop the economy to new heights. The development of various work in the province is proceeding well. However, we still lag behind in reform, opening up, and in developing individual and private enterprises.

He said: To improve the province's economy to a new level, first, we should emancipate our minds as it will otherwise be impossible to effect development. This emancipation should be done in a bold and flexible manner. Only by emphasizing "opening up" can we flexibly conduct deregulation and boost the economy. Emancipating the mind means to prevent "leftist influence" in the economy. Over the years, the "leftist influence" had a profound effect. Just as a rightist stance may be the ruin of socialism the same is true of a "leftist" one. We should approach this issue from the high plane of speeches given by Comrade Deng Xiaoping during his inspection tours in the south and continuously deal with the "leftist influence" in the economic field. The three criteria set by Comrade Xiaoping in his speeches are the only measures for judging the success of our work. Our management is extremely rigid in some areas. Certain areas under government jurisdiction should not be under its control. Second, we should pay attention to markets. In emancipating our minds, we should vigorously develop markets and bring about a socialist market economy. We have too few markets in our province at present.

There is a saying that goes: Where there is a city there is a market. However, some cities in our province are without markets. Without the commodity economy how is development to be achieved? We should still emancipate or reform our minds on these issues. Our unchanged minds will restrict the development of our work in various fields. Some opinions raised at the forum noted the rigidity of some of our cadres and the fact that we have not totally eliminated "leftist," outdated elements as well as outmoded rules and regulations. These cadres worship books and higher authorities and are not in tune with reality. They often rely on rules and regulations as a "shield" to counter problems that they face. In enforcing rules and regulations, we should comply with reality and conduct our work with the pioneering spirit. Concrete matters relating to work and formulation of policies and

measures must be dealt with in line with reality. This requires capability and not the mere practice of indiscriminately copying or relaying of others' experience. We need to observe the law but not stick adamantly to the old ways.

Comrade Gao Yan also raised specific opinions in his speech with regard to developing individual and private enterprises. He said: Developing individual and private enterprises is part of the process of building socialism with Chinese characteristics. Without them, the socialist commodity economy will be incomplete. They comprise the most important part of bringing the province's economy to a new level and should be improved as well. They should be encouraged, supported, and given a helping hand. We should support them by enforcing policies flexibly. Prominent manifestations of the failure to implement policies regarding individual and private enterprises indicate that too many "authorities," charges, and tax revenues exist. These enterprises need not be administered by so many authorities. Enterprises in one category should have one higher authority. A precedent preventing the collection of arbitrary charges needs to be set and a relaxed environment needs to be created for these enterprises. We should also support these enterprises in the area of tax collection by allowing firms undergoing difficulties a tax cut. We should draw on Shishi's experience in releasing funds for loans to such enterprises. Efforts should be made to provide places for individual and private business to set up business. Although some cities need to launch the campaign to "turn themselves into clean cities or cities with 10 assets," they should do so in consideration of the need for household-run industrial and commercial firms to have places for business. Reasons why these enterprises cannot remain in the areas and should be moved to other places need to be provided. By no means should we remove them unconditionally. Efforts should be made to protect the legal rights of these enterprises in line with the Constitution and the regulations on the management of individual and private enterprises. The legal rights of household-run business and private enterprises cannot be infringed upon.

In his speech Comrade Gao Yan urged household-run industrial and commercial firms and private enterprises to become rich through industrious work, to observe the law in their operations, to pay taxes in line with regulations, to improve management, to rely on science and technology, and to upgrade their fame. These enterprises should become strong and reliable independently and should not evade taxes. Taxes that deserve to be paid must be collected and those that need not be paid will not be collected by the government. They should engage in their operation honestly and refrain from turning out fake commodities and fooling the people. They should improve the quality of their products and their operations to a new level by relying on their fame, technologies, and management.

Taipei Protests Seoul Giving Embassy to PRC

*OW2509082092 Taipei CNA in English 0756 GMT
25 Sep 92*

[Text] Taipei, Sept. 25 (CNA)—The Ministry of Foreign Affairs [MOFA] strongly protested South Korea's handing of the Republic of China [ROC] Embassy property in Seoul over to Communist China Thursday [24 September].

In a statement, the ministry said it has asked the Seoul government to "take care of" the 2,900-ping land and the seven-storey building at the embassy compound after closing the embassy on Sept. 23.

In a written message, Taipei has informed Seoul that it must not "occupy, use, or transfer" the property without a consent from Taipei.

In that message, Taipei also stated that it will not recognize any illegal occupation of or changes to the embassy compound.

The South Korean Government is taken accountable for any illegal occupation or handling of the ROC Embassy property, and Taipei reserves the right to reclaim it, the statement added.

In spite of Taipei's strong urge, Seoul has knuckled under to Peking's pressure and handed the property over to the Communist Chinese regime.

Seoul's "extremely inappropriate" handling of the property cannot be accepted, the MOFA said.

Beijing, Taipei Differ Over 'Political Entity'

*OW2509092992 Taipei CNA in English 0802 GMT
25 Sep 92*

[Text] Taipei, Sept. 25 (CNA)—Though Peking has indicated that it regards Taiwan as a political entity, Peking's definition of the term is different from Taipei's, mainland affairs experts here said Thursday [24 September].

Wang Zhaoguo, director of the Taiwan Affairs Office of the Peking State Council, told a group of Taiwan scholars Wednesday that Peking looks upon Taiwan as a political entity when using the term "Taiwan authorities."

Taipei's national unification guidelines call for "mutually beneficial efforts" by Peking and Taipei on condition that each does not deny the other as a political entity.

The experts pointed out that Taipei stresses the "equality" of both entities, while Peking has persistently rejected the principle.

Mainland scholars have long pointed out that Communist China began to recognize Taiwan as a political entity when it referred to "Taiwan authorities" in its 1979 "letter to Taiwan compatriots," the experts said.

However, the mainland scholars said that as a political entity, Taiwan cannot stand on an equal footing with Mainland China because mainland authorities represent "the whole China" while Taiwan authorities rule only "Taiwan, Penghu, Kinmen and Matsu."

The mainland scholars call Taiwan a "non-sovereign special political entity" with only limited power to administer its foreign relations.

As a matter of fact, the Republic of China [ROC] has exercised its sovereignty over Taiwan, Penghu, Kinmen and Matsu for over 40 years. The mainland scholars have just been bending the fact to suit their government's "one country, two systems" slogan aiming to make Taiwan a special region of the "People's Republic of China," they added.

Other mainland scholars have also called the mainland "the mother political entity" while downgrading Taiwan as a "son political entity," out of similar mentality, the experts said.

CPC Circulates 'Urgent' Document on Loyalty

*OW2609102692 Taipei CNA in English 0801 GMT
26 Sep 92*

[From the "Mainland Focus"]

[Text] Hong Kong, Sept. 25 (CNA)—The Chinese Communist Party has circulated an "urgent" document among mainland media calling for loyalty to Marxism and Leninism as the party congress approaches, a Hong Kong newspaper reported Friday [25 September].

The SING TAO daily said the document stressed that power must remain in the hands of Marxists and Leninists in order to ensure a smooth "building of socialism with Chinese characteristics."

CPC To Confirm Chinese Socialism Policy

*OW2609103392 Taipei CNA in English 0801 GMT
26 Sep 92*

[From the "Mainland Focus"]

[Text] Taipei, Sept. 26 (CNA)—The Chinese Communist Party [CCP] will confirm the basic policy of "building socialism with Chinese characteristics" at its upcoming party congress, experts here said Saturday [26 September].

This will be the "most daring move" taken by the CCP since it launched a reform policy in 1978, they said.

The party has tried to combine central planning with market mechanism in the 1980s, they said.

In 1984, when the party came up with a "planned commodity economy based on public ownership," it was envisioning today's "socialist market economy."

"Socialist market economy" is different from Western market economy in that the former insists in public ownership and distribution according to labor rather than income.

Even with such differences, "socialist market economy" is still facing strong opposition from hardliners who fear it will gradually lead to Western economic and political systems.

'Official Recognition' Established With Vanuatu

OW2509123092 Taipei CNA in English
1533 GMT 24 Sep 92

[Text] Taipei, Sept. 24 (CNA)—The Republic of China [ROC] and Vanuatu signed a joint communique Thursday [24 September] announcing that the two countries have officially recognized each other.

The communique was signed in Taipei by ROC Foreign Minister Frederick [Fu] Chien and his Vanuatu counterpart Serge Vohor on behalf of their respective governments.

Effect immediately, the communique said the two countries agree to recognize each other officially in order to strengthen their friendship and cooperation.

Chien said official recognition was the first step which "of [words indistinct] the establishment of diplomatic relations."

A southern Pacific nation situated between Australia and Fiji, Vanuatu now maintains diplomatic relations with Communist China, which strongly opposes dual recognition of Peking and Taipei by any country.

Asked to comment on the issue of dual recognition at a joint press conference, Chien said Vanuatu has decided to recognize the Republic of China out of its own free will as a sovereign country.

"We don't want to intervene in the policy of other countries. But we do want to strengthen our relations with them," he stressed.

Vohor said Vanuatu's cabinet has unanimously approved the policy of recognizing Taipei in the hope of improving economic, cultural and technical cooperation with the Republic of China.

He expected pressure from Peking, but stressed that Vanuatu, as an independent sovereign state, has the right to choose its diplomatic partners by itself. Communist China cannot tell Vanuatu what to do, he added.

Once a trust territory of France and Britain, Vanuatu declared independence in 1980. With an area of 12,100 square kilometers, the country has a population of 150,000.

'Senior Diplomat' Comments

OW2609101692 Taipei CNA in English 0751 GMT
26 Sep 92

[Text] Taipei, Sept. 26 (CNA)—A senior diplomat said Friday [25 September] that the Republic of China [ROC] and Vanuatu's mutual recognition has set a good precedent for the future.

A communique was signed in Taipei Thursday, announcing that the two governments have recognized each other.

The communique noted that the two countries would not intervene in the other's foreign relations. "Such a modest and reserved practice" is worth trying again in the future, the diplomat said.

A few countries have shown interest in setting official ties with the Republic of China.

Peking has reacted strongly to Taipei's diplomatic ties with Niger by advancing the establishment of its formal ties with South Korea to August. Observers said such head-on clashes between Taiwan and Communist China in the diplomatic front will serve neither side's interest.

A Vanuatu parliamentarian said here that his country should recognize free and democratic Republic of China, rather than the People's Republic of China.

He forecast that the Republic of China and Vanuatu will establish diplomatic ties in the near future. Vanuatu currently has formal ties with Communist China.

Editorial on Opening Market To Join GATT

OW2709102592 Taipei CHINA POST in English
23 Sep 92 p 4

[("Editorial: Open the Market Wider")]

[Text] Government authorities must move quickly to scrap trade barriers and open wider Taiwan's domestic market to qualify for admission into the General Agreement on Tariffs and Trade (GATT).

Major GATT member nations, after more than two years of negotiations, have already reached an agreement recently to accept Taiwan's membership application at the world trade body's monthly council meeting in Geneva on Sept. 29.

Once GATT formally decides to accept the application, it will soon set up a special working group to screen Taiwan's trade policies and practices to see if they meet GATT's principles of advocating open and nondiscriminating trade.

Since Taiwan is applying for GATT membership as a developed economy, it will most likely be required to comply with the agency's highest standards on international commerce, as set for industrialized nations.

Examined in that spirit, Taiwan will have to review and revise major trade policies and restrictions, if it is to win quick admission into the 100-plus member trade organization.

First, Taiwan will need to remove its bans on imports of Japanese cars and on the participation by Japanese firms in government enterprises' overseas purchases, restrictions imposed to help cut long-time trade deficits with Japan.

Secondly, Taiwan will no longer be able to favor U.S. companies over other foreign firms for government contracts by citing the need to balance trade with the United States, as such trade practices are disallowed by GATT as they are discriminating.

Thirdly, Taiwan may also need to liberalize its trade and other economic exchanges with Communist China. Currently, the government imposes strict prohibitions on imports from the mainland, as well as investment here, because of political conflicts between the two sides.

And finally, Taiwan needs to accelerate the pace of liberalizing its service markets and the market for agricultural products. Farm goods, in particular, constantly enjoy various kinds of government protection, including subsidies, high tariff rates and outright import controls.

Scrapping protectionist measures and opening markets to foreign goods and services are international obligations Taiwan will have to fulfill as a member of GATT.

In return, Taiwan will win greater international recognition and will be entitled to join the world's major economic powers in setting the rules for world trade.

GATT Application Name To Remain Unchanged

*OW2809090792 Taipei CNA in English 0759 GMT
28 Sep 92*

[Text] Taipei, Sept. 28 (CNA)—The Republic of China [ROC] will join the General Agreement on Tariffs and Trade (GATT) under the name of "Customs Territory of Taiwan, Penghu, Kinmen and Matsu," Economic Affairs Minister Hsiao Wan-chang reiterated last Saturday [26 September].

Hsiao denied that the country had reached a "tacit understanding" with Mainland China on Taiwan's designation in the Geneva-based world trade regulatory body.

"We have never consulted with the Chinese Communists on our GATT membership bid, not to mention reaching any 'tacit understanding' with them on the name issue," the minister stressed.

Hsiao was commenting on foreign wire service reports that the GATT will call Taiwan "Chinese Taipei" while screening its membership application as the two sides of the Taiwan Straits have reached an understanding on the name issue.

The ROC applied to join the GATT with the name of "Customs Territory of Taiwan, Penghu, Kinmen and Matsu" in January 1990.

Hsiao explained that the name not only meets the ROC's national interests but also complies with the GATT regulations. "We therefore won't consider changing our formal title to be used in the GATT," he noted.

Nevertheless, Hsiao said, the ROC Government will not oppose the use by the GATT council of "Chinese Taipei" as a shorter form for its formal title.

Vice Economic Affairs Minister P. K. Chiang said Saturday prior to his departure for a three-nation Europe tour that the timing for Taiwan's formal entry into the GATT will depend on whether negotiations between Taipei and the soon-to-be-formed GATT working party can proceed smoothly.

Chiang will visit Belgium, Holland and Ireland to seek their support for Taiwan's GATT bid. He is scheduled to return in mid-October.

Hao Addresses Parliament on Economy, Mainland
*OW2509082892 Taipei CNA in English 0747 GMT
25 Sep 92*

[Text] Taipei, Sept. 25 (CNA)—Premier Hao Po-tsun stressed Friday [25 September] that "Taiwan experience" has become well known not only for Taiwan's economic achievements but also for its political progress.

Making his administrative report to the opening of the 90th session of the Legislative Yuan, the Republic of China [ROC]'s parliament, the premier pointed out that "Taiwan experience" has become richer over the past year because it has extended from economic to political dimensions.

The future generations will learn that "Taiwan experience" means the track records of democratization and modernization of the Republic of China on Taiwan, he said.

Hao said the "most positive" achievement of Taiwan in 1992 was the successful constitutional reform led by President Li Teng-hui.

The National Assembly's amendment of the Constitution will help define the directions of the nation's future development and promote political harmony, he said.

In line with the constitutional reform, outdated laws have been repealed or revised, restrictions on entry into and exit from the country have been loosened, and the cabinet political party screening committee has become an interior ministry agency, Hao said.

These changes, coupled with the on-going efforts to thoroughly implement local autonomy and to elect a new Legislative Yuan, will "totally alter the country," said the premier.

Turning to the domestic economy, Hao said private investment is expected to grow 8.6 percent while government investment will increase 20 percent in real terms as a result of the smooth implementation of the six-year national development plan.

He noted that of the total 775 projects in the six-year plan, 91 will carry a price tag of at least NT [new Taiwan dollars] \$20 billion (US\$800 million) each.

Except for 34, which were still being mapped out, 57 of the big projects are being carried out as scheduled. Their completion will stimulate economic growth and improve the people's quality of life, Hao said.

With the first half-year exports reaching US\$40 billion and imports totalling US\$34.7 billion, the 1992 economy will grow 6.42 percent and per capita income will top US\$10,000, he reported.

"The 6.42 percent growth rate is spectacular in view of the world-wide slump. Major industrialized countries are still striving to pull themselves out of recession," Hao commented.

He promised to "create a good investment environment so that the business community will keep their roots at home."

"We must upgrade our industry in order to avoid being sandwiched by technologically advanced countries and other fast developing countries," he said.

It will be the "first priority" of his administration to upgrade the industry and improve investment environment, he asserted.

Sensing the nation's need to play a greater role in the world community at a time when the world order is being reshaped following the collapse of communism, Hao said "cooperation and competition" will be the "main currents of the 1990s."

He explained that the international community is increasingly relying on cooperation for settling regional conflicts, and that regional trade blocs are being formed to sharpen their competitive edge.

He observed that Communist China has been forced to adopt the so-called "socialist market economy" in order to survive the fall of communism in the whole world.

The strategy has worked quite well economically, and yet Peking will have to face the incompatibility between "market economy" and "totalitarian politics," he predicted.

Hao foresaw a "deepening internal contradiction" inside the Peking regime if it continued to ignore the "rational advice that the economy and politics should be reformed simultaneously.

Peking's refusal to open up its political system will "cast a shadow" over the long-term prospects of peace in the Asia-Pacific region and integration of the Chinese race, he said.

Hao urged the people on Taiwan to "enrich their Taiwan experience" so as to play a "model role" in the process of national unification.

"We should work to induce Mainland China back to the main streams of Chinese culture" and to "unify China under freedom and democracy," he concluded.

Stresses Stability

OW2609211292 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 25 Sep 92

[By station reporter Yang Chin-hui; from the "Hookup" program; first paragraph announcer-read introduction]

[Excerpts] The 90th session of the Legislative Yuan opened yesterday. In his government work report, Premier Hao Po-tsun explicitly expounded three focal points of the current administration, namely, national stability and a life of plenitude and social equity for the people. As far as cross-strait relations are concerned, the premier emphasized: We must insist on one China, an increase in people-to-people exchanges, and the development of cross-strait relations according to the law. In addition, he stressed that keeping the roots of the business community at home should be the top priority for his administration. Following is a report filed by our station reporter Yang Chin-hui from the Legislative Yuan:

[Begin recording] Premier Hao Po-tsun focused his government work report to the Legislative Yuan mainly on the Taiwan experience, saying that only when we enrich the Taiwan experience will we be able to play a model role in the new international order, and to induce Mainland China back to the mainstream of Chinese culture and the realization of national reunification at an early date. According to the premier, one of the focuses of the current administration is to ensure national stability. He said: A strong national defense is the primary guarantee for stability. In the face of Communist China's threat of force, we should call on the (?international community) to pay attention to the military situation in the Taiwan Strait. The recent U.S. decision to sell F-16 fighters to us is of (?great significance). The 20 million people in the Taiwan region should foster a common understanding of sharing the same destiny and should be aware that without the Republic of China [ROC], Taiwan could vanish at once. Bearing this in mind, we should strive to join international conventions with a realistic approach, while insisting on the principle on one China regardless of obstacles set up by Communist China. [passage omitted]

Another focus of the current administration discussed by Premier Hao in his report is to provide a life of plenitude

for the people. The most focal point of the administration is to upgrade the industry and keep the roots of the business community in Taiwan. [passage omitted]

The third focus is to realize social equity. The premier outlined seven measures of [words indistinct], assisting the people to own their houses, implementing a social welfare system commensurate with our national conditions, stabilizing prices, establishing a fair (?market)

system, stepping up investigations of tax evasion, and strengthening law enforcement. [passage omitted]

In conclusion, the premier expressed a firm belief in what President Li has said, that our future is not limited to Taiwan and that only when the government is at the helm and the whole people unite as one will we have a bright future. [end recording]

Hong Kong

Editorial Criticizes PRC Maritime 'Incursions'

HK2609042892 Hong Kong SOUTH CHINA MORNING POST in English 26 Sep 92 p 14

[Editorial: "Polite Protests Will Not Stop Incursions"]

[Text] The confrontation off Waglan Island yesterday, in which armed Chinese personnel reportedly boarded a Marine Police launch and threatened an officer at gunpoint is the most serious cross-border incursion yet. It was the fifth such incident into Hong Kong waters in a month by Chinese security officials who claim they have been chasing smugglers and, on occasion, escorting them back to the mainland. If yesterday's incident was disturbing, it was the first time that Chinese security officials have boarded a Hong Kong Marine launch and threatened officers at gunpoint. Although the Chinese Border Liaison Office later issued an apology for any improper action taken by its officers, the incident is worrying for two reasons. First, by turning their guns on officers of the Crown and treating them like criminals, Chinese security officers have shown contempt not only for Hong Kong law but their local counterparts. Second, the actions of the Chinese security officials suggest a blatant disregard for the sovereignty of the territory's waters—an attitude likely to spell increasing trouble in the run-up to 1997. From what can be ascertained, the Marine Police launch became involved when it was alerted that a fishing vessel was being towed off Waglan Island by an official Chinese speedboat. When the Marine Police launch arrived at the scene and tried to take pictures, it was boarded by mainland security officials, its officers threatened at gun point, the camera confiscated, and film destroyed.

Ironically, yesterday's incident came on the same day as the Omelco [Office of Members of the Executive and Legislative Councils] Security Panel was being briefed by government security officials on the increasing incidence of cross-border incursions by official Chinese vessels. Legislators took security officials to task for failing to stand up to the Chinese over incursions and not doing enough to stop such worrying incidents. No doubt legislators are now more convinced of the Government's limp-wristed handling of events, despite the Political Adviser informing the NEW CHINA NEWS AGENCY of its grave concern over the matter.

In the absence of a full and satisfactory explanation by China of recent incursions, including the seizure of at least seven Vietnam-bound vessels and the detention of a Vietnamese cargo vessel last month, it is difficult to ascertain what the Chinese security forces are up to. The most generous explanation would be that over-zealous officers on anti-smuggling duties are accidentally entering Hong Kong's territorial waters.

Two other explanations are more plausible, however: either corrupt officials are attempting to make a killing by raiding ships, or the Chinese authorities believe the

boundaries between Hong Kong and China represent only a legal nicety that can be conveniently overlooked when they interfere with law-enforcement operations. Either explanation is worrying and a combination of piracy and aggressive cross-border policing would have serious economic and political implications for Hong Kong.

China's response so far offers little reason to believe that it will treat the matter with any degree of seriousness. Despite last night's apology, a full and proper accounting is unlikely. Previous approaches to the Chinese authorities, in Beijing and London and through the NEW CHINA NEWS AGENCY, in recent weeks have failed to elicit much response, let alone any admission of responsibility. Only in the case of the Vietnamese cargo vessel Trany, which was chased by a number of speed-boats off Stanley Beach last month and then boarded, has Beijing offered anything approaching an apology. What is clear is that the actions of the Chinese security forces, whatever the motivation, have turned the issue into a political, rather than a mere cross-border security problem. Good relations between the authorities in Guangdong and Hong Kong are vital in the run-up to 1997, but the apparent lack of co-operation from Guangdong suggests that Hong Kong should make its concerns known at the highest levels. It should be a matter of urgency that London and Beijing take up the issue, unless of course, the Hong Kong Government's preferred option is to continue politely protesting while the incursions carry on unabated.

UK's Hurd Expresses Concern

HK2709060892 Hong Kong THE SUNDAY STANDARD in English 27 Sep 92 p 3

[Report by Michael Weeks, Laura Chan, and Meimei Chan]

[Text] The most serious confrontation to date between Chinese security officers and police in Hong Kong waters yesterday went right to the top of the diplomatic agenda.

British Foreign Secretary Douglas Hurd expressed concern about the incursion to China's Foreign Minister Qian Qichen during talks in New York yesterday. "I said it has caused a lot of disquiet in Hong Kong," he said after the meeting. "I did think it right to tell him (Qian) of the feelings."

Friday's [25 September] incident, during which the Public Security Bureau (PSB) officers threatened local police with AK-47 assault rifles, was also raised by the British embassy in Beijing with the Ministry of Foreign Affairs. In Hong Kong it was the subject of discussions between Political Adviser William Ehrman and the Xinhua News Agency.

The quick, high-level response to the incident has been hailed by a member of the Omelco [Office of Members of the Executive and Legislative Councils] Security Panel, who said it appeared to be having the desired effect.

"We need to maintain a firm stance," said James To, security spokesman for the United Democrats. "The response from the Chinese side has so far been very different from past incursions. They may admit they're wrong."

China's Hong Kong and Macao Affairs Office chief Lu Ping expressed concern about the stand-off. He said he hoped the police liaison officer being sent from Beijing to the territory could help enhance communication to avoid such confrontations in future.

However, Ng Hon-mun, a Hong Kong delegate to the National People's Congress in Beijing, described the incident as "an unavoidable, minor event". He said it would not affect confidence here, though agreed that China should apologise if it was established that their security men had held Hong Kong policemen at gun point.

Friday's confrontation developed when two Marine Police launches responded to a call for help from a fishing boat which said it had been intercepted by Chinese police east of Waglan Island—within Hong Kong waters. When the police arrived at the scene they found three PSB officers on the boat. The Marine Police told them they were out of their jurisdiction and began taking photographs for evidence. At this point the confrontation turned potentially lethal, as the PSB men threatened their Hong Kong counterparts with automatic weapons and demanded their film.

The dispute was eventually resolved peacefully with the mainland officers returning to Chinese waters. The security branch stressed that Hong Kong police were trained to defuse tension in such situations.

"We want to exercise restraint in these matters which is why we've raised this at the highest levels now" said Acting Secretary for Security Ian Strachan. "We want the Chinese security forces to understand that we also expect them to exercise restraint."

But there are no plans to step up sea patrols. The Security Branch said that there was already a strong Marine Police and Navy presence on Hong Kong's ocean frontiers.

The fishing boat at the centre of the confrontation was allegedly involved in smuggling.

Customs officers found about \$40,000 [Hong Kong dollars]-worth of air conditioners and televisions on the boat and have arrested the captain of the boat.

UK Military To Hold Rapid-Reaction Exercise

HK2809092492 Hong Kong SOUTH CHINA MORNING POST in English 28 Sep 92 p 1

[By Paul Tyrrell]

[Text] Crack soldiers from Britain's fast-reaction force are coming to Hong Kong to participate in a military

exercise based on a serious break-down in Sino-British relations and an "incursion" by Chinese forces into the territory.

About 100 officers and technicians from the 5th Airborne Brigade, which includes soldiers from the Parachute Regiment, will be involved in Operation Winged Dragon, a command post exercise which is designed to test organisational skills.

The specialist force would set up a temporary command post as a reaction to what a serving officer of the British Army based in Hong Kong described as "aggressive diplomacy from the mainland".

The source added: "The scenario will involve incursions into Hong Kong by mainland forces and will demonstrate that the territory is still under British sovereignty."

News of the exercise comes just three days after the most serious mainland incursion into Hong Kong waters.

Last Friday, Chinese security officers boarded a Marine Police vessel near Waglan Island and threatened local officers with an AK-47 assault rifle.

A military intelligence source said Operation Winged Dragon would have needed Hong Kong Government approval.

"I'm sure that the Government thought that the operation, with it being in many respects a paper exercise, would have remained a secret. They must now wish it wasn't taking place at such a sensitive time, whether it is only a command post exercise or not," he said.

"I'm sure the British don't think an operation like this is a show of strength; it would be a blunder of catastrophic proportions if they think it is a subtle warning to the mainland."

"The PRC will probably get very hyped up about this. Like all communist regimes, they will think the worst possible interpretation on the scenario."

Beginning on November 13, the two-week exercise will also involve the Army "taking back border guard duties in the event of major civil unrest".

The source said elements of the Hong Kong Garrison's Gurkha Engineer, Signals and Transport Regiments would also be involved in the operation, which was likely to be held in the Royal Air Force base at Sek Kong.

Senior officers from the Ministry of Defence in London were also flying out for the exercise, the source added.

A spokesman for a British Garrison said he could not confirm or deny the existence of the exercise; the Security Branch also refused to comment.

However, a Ministry of Defence spokesman said a command post exercise involving the 5th Airborne Brigade was planned for Hong Kong between November 13 and

22. He stressed that the operation had been planned "months before" Friday's confrontation.

The 5th Airborne Brigade was the Army's only fast-reaction force, said military expert Mr Ian Kemp, of Jane's Defence Weekly.

"They are a lightly-equipped global force who are expected to arrive at troublespots within a matter of hours," he said.

Made up of two parachute battalions and two infantry battalions, the brigade has an artillery capability with a battery from the Royal Horse Artillery equipped with 105 mm light guns.

"Their major role is to parachute into an airfield and establish control in order for further re-enforcements to arrive on fixed-wing aircraft and it is likely that the Hong Kong exercise will follow along similar lines," Mr Kemp said.

"Command post exercises are designed to test the capability of officers and men to give orders, react to orders and then report back to their commanders. It is an examination of the command chain within a force and does not involve the deployment of men in the field.

"From a military point of view, the brigade have probably chosen Hong Kong because they need to train around the world and the territory is still controlled by Britain so it is therefore easier to exercise there than in a foreign country."

Chinese Accuse Hong Kong Police of Beatings

HK2709055492 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 27 Sep 92 p 3

[Report by Maiana Wan]

[Text] Two women Chinese dissidents, who were granted asylum in Canada after Hong Kong authorities moved to send them back to China, have accused police in the territory of beating them up and other "inhumane" treatment.

The allegations have been made in an article one of them, journalist Liu Yijun, has written exclusively for the Sunday Morning Post.

"We were victims: We had been locked up in hunger for days (by the snakehead who abducted them)," Liu wrote. "But in the police station we were beaten up by these officers who had a full stomach and were strong. Their skin was yellow and their hair was black. I wanted to cry, but I could shed no tears.

"Imagine it. Those who were victims and were brought to the police station to help with an investigation were being beaten up. Those who were criminals were being bailed out in no time at all. How caring the Hong Kong

police were when it came to the human rights of criminals. And how cruel and violent they were when it came to handling the victims."

Liu said last week she was considering filing a formal complaint against the Hong Kong police. But, she said: "I bring this up now, not because I want to stir trouble. I just want the people of Hong Kong to take note in order that this will not happen again."

Liu would not give details of the beating, but said it happened last December when she and her friend, Ms Lin Lin, first arrived in Hong Kong as illegal immigrants. She said they were assaulted on and off for about 40 minutes in separate rooms.

When asked why she did not make this public in Hong Kong, or sooner in Canada, she said: "If I had said (so in Hong Kong), I feared I might not be able to come to Canada." She also said she did not want to be seen as speaking ill of her own race in a foreign country.

But it is understood that before leaving for Canada Liu had instructed her Hong Kong lawyers to file a complaint with the Complaints Against Police Office (CAPO). Mrs Pamela Baker, one of the lawyers representing the pair, declined to comment.

But a source close to the legal team said the case would be pursued once the pair instructed their lawyers in writing.

"Maybe one should wait until they have settled down a little bit. It will be better if it is a considered decision," said the source. A Security Branch spokesman said the matter would be investigated once a complaint was filed with CAPO.

Official Foresees No Delay on Hong Kong Airport

HK2809025692 Hong Kong SOUTH CHINA MORNING POST in English 28 Sep 92 p 2

[By Doreen Cheung in Lanzhou and Lana Wong]

[Text] The progress of the airport projects would not be hindered although the financing plan had yet to be discussed with the Governor, Mr Chris Patten, China's leading Hong Kong spokesman, Mr Lu Ping, said yesterday.

The decision to leave the matter for discussion between Mr Lu and Mr Patten was made by the British Foreign Secretary, Mr Douglas Hurd, and his Chinese counterpart, Mr Qian Qichen, during their meeting in New York on Friday [25 September].

Mr Lu, the Director of the Hong Kong and Macao Affairs Office under the State Council, said the discussion he would have with Mr Patten when the Governor visited Beijing next month would not cause any delays of the airport projects.

Stressing that the money used to build the airport belonged to the people of Hong Kong, Mr Lu said the

Chinese Government hoped both Britain and China would remain calm when dealing with the issue and listen more to the views of the people of Hong Kong.

He said the Chinese Government would like to listen to views from a cross section of the Hong Kong community to facilitate its study of the British counterproposal.

Meanwhile, the Financial Secretary, Mr Hamish Macleod, said it was necessary for the Chinese side to have some time to study Britain's counter-proposals.

He said there was a reasonable length of time for the Chinese to deliberate before the meeting between Mr Patten and Mr Lu.

When asked if the meeting would cause any delay to the airport projects, Mr Macleod said it was more important to see the substance of discussions rather than the timing of talks.

"Of course the meeting is fairly soon. I don't think there's too much in the way," he said.

Mr Macleod was speaking on his return from New York last night.

He said international bankers had shown a lot of interest in the airport projects.

But those interests would diminish if the uncertainties surrounding the airport projects continued, he added.

Radio, TV Group Stands Firm on Political Views

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[Report by Catherine Chan]

[Text] Radio Television Hong Kong (RTHK) will not stop producing television dramas with a political background, despite its latest production having drawn scathing criticism from local left-wing newspapers, RTHK management said.

Ms Maria Wan Ying-kwan, Assistant Director of Broadcasting, said the station would not shy away from producing dramas such as the Below the Lion Rock series "as long as the theme is relevant to Hong Kong".

"We cherish and will keep our tradition of editorial independence," Ms Wan said. "We are not worried

about interference from the Hong Kong Government, and we do not feel there is any pressure, or political influence, from China.

"If China honours the Joint Declaration and its promise of keeping Hong Kong unchanged for 50 years (after 1997), they should keep things as they are."

Ms Wan said that RTHK had not sought to provoke China when filming the controversial series, but Beijing had made its own interpretations.

"We are not agitated by their criticisms, and we hope the public will not misunderstand us for practising self-censorship," she said.

Two locally based leftwing dailies, Wen Wei Po and Ta Kung Pao, had accused previous episodes of the drama series of mocking senior Chinese leaders and sabotaging the Chinese Government.

Speculation about RTHK's editorial independence became intense when Ms Rachel Zen Wei-che, director of the episode Stormy Weather, was told to cut her production to fit the timeslot allocated.

The dispute between the management and the director was not settled until Ms Zen agreed to slash the episode by half, and the airing of Stormy Weather was delayed for one week.

The comments in Wen Wei Po, made five days after the episode was broadcast, said RTHK had misled the public by saying Chinese leaders did not take follow-up questions from reporters.

The newspaper cited examples it said proved that Chinese Government officials were more willing to take questions from reporters than officials working for the Hong Kong Government.

"I believe the left-wing papers over-reacted to our earlier episodes, and now their comments have cooled down as regards this episode," Ms Wan said.

She said RTHK would evaluate the series, as it had done with other programmes, before deciding what theme the next series would take.

"The dramas we produced may have political backgrounds, but we are living in the '90s, and the issues revolving around us now are of a political nature. We are just reflecting on this aspect of life," she said.

END OF

FICHE

DATE FILMED

29 Sept 1992

